Daily Report

Latin America

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FBIS-LAT-92-148 *31 July 1992*

CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

FRONT PAGE

CARIBBEAN

Cuba

Delegate States Position on Chemical Weapons *[Havana Radio]* 2
Escobar Escape Provides U.S. With 'Pretext' *[Havana Radio]* 2
Lazo, Robaina Chair Ceremony Honoring Martyrs *[Havana Radio]* 2
Opposition Leader Montaner Interviewed *[Buenos Aires LA PRENSA 21 Jul]* 2

Haiti

Parliamentarians on CEP, Senatorial Elections *[Port-au-Prince Radio]* 5

MEXICO

Salinas Sends PRD Letter on Michoacan Elections *[Mexico City TV]* 7
Haitians Granted Asylum by Foreign Secretariat *[NOTIMEX]* 7
Cooperation Agreement With Belize Signed *[NOTIMEX]* 7
Hungarian Reportage on Salinas Visit *[cross-reference]* 7

CENTRAL AMERICA

Guatemala

President Appoints New Government Minister *[Panama City ACAN]* 8
Archbishopric Office on Human Rights Situation *[Guatemala City TV]* 8

Honduras

Army Asked To Help Police Fight Violence *[Panama City ACAN]* 8
Polish Deputy Minister Visits Tegucigalpa *[TIEMPO 26 Jul]* 8
Cooperation Agreement Signed With Germany *[LA TRIBUNA 27 Jul]* 9
Agreement With Japan To Modernize, Improve Ports *[EL HERALDO 28 Jul]* 9

Nicaragua

Students Take Over Telcor, Airport Offices *[Managua Radio]* 9
Sandinists Approve Document on Economic Proposals *[LA PRENSA 27 Jul]* 10
Assembly Issues Statement *[BARRICADA 28 Jul]* 10
Cesar on Sandinist Parliamentary 'Boycott' *[BARRICADA 29 Jul]* 11
Liberals Demand Ortega, Lacayo, Vivas Dismissal *[Managua Radio]* 12
'Former Fighters' Occupy Farms, Demand Ownership *[Managua Radio]* 12

Panama

Two Groups Claim Attack on Finance Ministry *[Panama City TV]* 13
Colon Groups, Authorities Reach Agreement *[LA PRENSA 29 Jul]* 14
Spanish Official Requests Government Assistance *[EL SIGLO 27 Jul]* 14

SOUTH AMERICA

Argentina

UN Committee Issues Resolution on Falklands *[Buenos Aires Radio]* 16
Former Bank Officials Deny Taking Bribes *[Buenos Aires Radio]* 16
Defense Companies' Privatization Viewed *[Buenos Aires Radio]* 16
Edenor Electric Power Company Privatized *[BUENOS AIRES HERALD 30 Jul]* 16
*Update on Railroad Privatizations Provided *[AMBITO FINANCIERO 22 Jun]* 17

Bolivia

MacLean on 'Previous Authorizations' by Congress *[La Paz TV]* 18

Brazil

CPI Extends Vieira's Deadline To Submit Proof *[Rio de Janeiro TV]* 18
Opposition on Testimony *[O GLOBO 29 Jul]* 19
Lawyer Files Habeas Corpus Petition for Collor *[O GLOBO 30 Jul]* 20
Bornhausen Denies Cabinet Tendered Resignation *[O ESTADO DE SAO PAULO 30 Jul]* 20
Senate Approves Earlier Date for Plebiscite *[Brasilia Radio]* 20
President Authorized To Legislate on Benefits *[Brasilia Radio]* 20
Moreira Ferreira Elected New FIESP President *[Brasilia Radio]* 21
Petrobras Discovers New Oil Field Near Maceio *[Brasilia Radio]* 21
Italy To Help Restructure Meteorology Service *[Brasilia Radio]* 21

Chile

German, Russian Officials 'Satisfied' on Honecker *[Santiago TV]* 21
Viera Gallo on Honecker Case *[Santiago Radio]* 21
Ministers on Honecker Case *[Santiago Radio]* 22
PCCh on Honecker Case *[Santiago Radio]* 22
Checkpoints Along Peruvian Border Reinforced *[Madrid EFE]* 22
Socialists Decline Pinochet's Invitation *[Santiago Radio]* 23
National Renewal Presidential Candidate Chosen *[Santiago TV]* 23
Air Force Planes Upgraded in Israel *[EL MERCURIO 14 Jul]* 23

Colombia

Council To Investigate Gaviria on Overflights *[Santa Fe de Bogota Radio]* 24
Gaviria Responds to Council *[Santa Fe de Bogota Radio]* 24
Parliamentarian Comments on Escape Incident *[Santa Fe de Bogota Radio]* 25
Search for Pablo Escobar Continues *[Santa Fe de Bogota TV]* 26
Gaviria Not Discouraged by Envigado Crisis *[Santa Fe de Bogota Radio]* 26
Pardo: Confusion Caused Envigado Mission Failure *[Santa Fe de Bogota TV]* 26
Defense Minister Blames Military for Escape *[Santa Fe de Bogota TV]* 26
AD/M-19 Supports Pardo *[Santa Fe de Bogota Radio]* 27
Liberal Party on Dismissal *[Santa Fe de Bogota TV]* 27
Rebels Free 6 Policemen in Norte de Santander *[Santa Fe de Bogota Radio]* 28
* December Completion Date Set for Guavio Unit *[EL ESPECTADOR 17 Jun]* 28
* Some Thermal Plants 'Near Collapse' *[EL TIEMPO 20 Jun]* 29
* Narino Officials Propose Regional Peace Talks *[EL TIEMPO 20 Jun]* 30
* Hommes on Uses for Additional Tax Revenues *[EL ESPECTADOR 28 Jun]* 30
* Losses Due to Falling Crop Prices Reported *[EL ESPECTADOR 28 Jun]* 32
* Growing Colombian-Venezuelan Trade Ties Viewed *[SEMANA 23 Jun]* 34
* 'State of Internal Disturbance' Antecedents *[SEMANA 14 Jul]* 35

Ecuador

Cooperation Agreement With Colombia Announced *[Quito Radio]* 38

Paraguay

Possible Closure of Embassy in Peru Authorized *[ABC COLOR 30 Jul]* 38
Rodriguez Issues 'Clear Warning' to Peasants *[ABC COLOR 30 Jul]* 39
Economic Indicators Show Economic 'Crisis' *[HOY 30 Jul]* 39

Peru

Fujimori Confirms Cabinet; To Announce Measures *[Lima TV]* 39
De La Puente Comments on Dialogue With Parties *[Lima TV]* 40
De La Puente Travels to U.S.; Talks To Resume *[Lima Radio]* 40
Bolona: Austerity Policy Will Remain Unchanged *[Lima TV]* 40
Maximo San Roman Gives Independence Day Speech *[Lima TV]* 41
Dissolved Congress Elects Directorate Board *[Lima TV]* 41
Anonymous Judges To Try Rebels *[Lima TV]* 42
Japan Makes $53 Million Loan Disbursement *[Lima TV]* 42

Venezuela

Perez Reviews Electoral Issues With Media *[Caracas TV]* 42
Deputies Approve Presidency Limitation Bill *[Caracas TV]* 43
Foreign Minister Ochoa on Ministry Reorganization *[Caracas TV]* 43
Perez Comments on Visit by Japanese Crown Prince *[Caracas TV]* 43

Colombia

Santa Fe de Bogota Radio reports that the Council of State said it would investigate "the conduct of President Gaviria for allowing overflights of foreign military airplanes without prior consultation." In a letter responding to Council President Leconte, President Gaviria said he was "surprised" by the plans for an investigation "because technical cooperation between the Colombian Air Force and the air forces of other countries has existed for several years." In the letter, which was carried by the radio, Gaviria added that the military planes were equipped "only with technical equipment and there is a Colombian operative on each plane." President Gaviria said he would use all means and the "international cooperation that the community of nations may be prepared to offer to capture Escobar."

According to Santa Fe de Bogota TV, General Gustavo Pardo Ariza said that "confusing orders emanating from Bogota" caused the failure of the mission to transfer Pablo Escobar from Envigado prison to a military garrison. Gen. Pardo was removed from active service following the escape of Escobar.

Brazil

According to Rio de Janeiro TV, two deputies "who consulted the same sources in Montevideo" on a reported loan for President Fernando Collor "came back with different conclusions." The deputies learned that the company reported to have made the loan was "not authorized to attract nor loan resources," but was "fully authorized to make investments abroad." Former Presidential Secretary Claudio Vieira claimed he turned the loan into a gold reserve and that the "president's expenses are being paid with these resources."

According to O GLOBO, the presidents of the opposition parties have "unanimously stated" that President Collor's situation "has been aggravated by Claudio Vieira's testimony." Vieira's testimony has "again brought up the idea of convincing the president to resign," a step deemed "less traumatic for the country than impeachment."

The Senate voted in favor of a constitutional amendment that would advance the date of a plebiscite on changing Brazil's form of government, according to Brasilia Radio. The new date would be 21 April 1993. The amendment must be approved in a second vote "next week" before the change in the date is legal.

Nicaragua

Managua Radio reports "hundreds of students simultaneously took over ...the installations of Telcor, airport facilities, and the offices of Education Minister Belli." Gonzalo Carrion, leader of the Confederation of Students of the Central American University, said this was "another form of protest, within the context of peace. We do not have any weapons." He added that the students would "remain here until the government sits down to negotiate with us."

Cuba

Delegate States Position on Chemical Weapons

FL3107005092 Havana Radio Rebelde Network in Spanish 2300 GMT 30 Jul 92

[Text] Cuba clearly stated its position today in Geneva on a future convention on chemical weapons. Cuban Delegate Jorge Morales declared that Cuba could not make commitments or assume responsibilities under that convention because of the possible presence of chemical weapons within the insular territory of the Naval Base in Guantanamo. Morales was explicit when he characterized the situation as extremely delicate to our country.

Escobar Escape Provides U.S. With 'Pretext'

PA3107042592 Havana Radio Havana Cuba in Spanish 0100 GMT 31 Jul 92

["Our America" commentary by Ignacio Canel]

[Text] The crisis that started in Colombia after the escape of drug trafficker Pablo Escobar could have new and dangerous effects.

U.S. planes and helicopters, apparently authorized by the Colombian Government, carry out different intelligence tasks in the Medellin area.

In light of the expressed concern of the area's residents about an eventual response by the drug cartel, and above all about the possible direct U.S. intervention in the problem, the Colombian Air Force reported that the authorized flights are supported by cooperation agreements for fighting drug trafficking and that there has been no violation of the nation's sovereignty.

The U.S. aircraft overflights seem to have been added to the intense tasks undertaken by Colombian police and military personnel in the search for Escobar and his accomplices, who recently escaped the Envigado jail. This escape put that South American country in its most serious crisis since President Cesar Gaviria took office two years ago.

Even if at the time of the escape the conflict seemed to turn into a dangerous situation, now it has other characteristics, particularly since Washington never agreed with President Cesar Gaviria's decision to try the drug traffickers on national territory instead of turning them over to U.S. courts.

It is important to point out that the surprise foreign aerial activity over Colombian territory coincided with statements made by Democratic Representative Robert Torricelli, who claimed in Washington the right of the United States to carry out a unilateral action to fight the drug trafficking groups in Colombia.

With his usual overbearing and interventionist attitude, the president of the House of Representatives' Subcommittee for Western Hemisphere Affairs said that, if the Colombian Government is incapable of stopping the drug traffickers, they should revise their policy of opposing those criminals' extradition so that they can be tried by U.S. courts.

Escobar's escape seems to have provided the pretext awaited by the United States to intervene with their troops on foreign territory. The flight of U.S. planes over Medellin may be the beginning of that dangerous meddling.

Up to this moment, it is not know what kind of pressure or blackmail Washington may have used against the Colombian Government, or how far can the U.S. military actions in that South American country go. The fact is that this could make the crisis considerably worse.

On the other hand, this would not be the first time that a government allows itself to be pressured by the policies that Washington wants to impose in the region. Besides, the recent promulgation of the U.S. law on kidnappings may give the U.S. Government the legal basis for such an action in Colombia.

We must not forget that U.S. military activities in Bolivia are causing serious conflicts in that country's government. Inasmuch as the much debated conflict of drug trafficking can be a pretext for bold actions by the White House in Latin America, the region's countries must be wary of these problems and their side effects because anything could be used by a government that, as is the case of the U.S. Government, is on an all out presidential election campaign.

Lazo, Robaina Chair Ceremony Honoring Martyrs

FL3107014792 Havana Radio Rebelde Network in Spanish 2300 GMT 30 Jul 92

[Excerpt] Today, on 30 July, all the people of Santiago, in representation of the whole country, honored the martyrs of the revolution. The ceremony, which honored the martyrs, was chaired by Politburo members Esteban Lazo, first secretary of the Communist Party of Cuba in Santiago, and Roberto Robaina, first secretary of the Union of Young Communists. [passage omitted]

Opposition Leader Montaner Interviewed

PY3007190092 Buenos Aires LA PRENSA in Spanish 21 Jul 92 p 9

[Interview with Carlos Alberto Montaner, chairman of the Cuban Liberal Union Party, ULC, "member of the Liberal International, and the man behind the drawing up and signing of the Cuban Democratic Platform, a momentous document for Cuba's political future," by LA PRENSA correspondent Isay Klasse; place and date not given]

[Text] [Klasse] In a few days Fidel Castro is to arrive in Spain, where he will surely meet President Menem. How do relations stand between the two heads of state?

[Montaner] As far as I know, Castro hates Menem, whereas from what I can gather the Argentine president has never felt hatred for Castro. He considers him, rather, a character in a folk tale, a person who seems unaffected by reality and who has not been able, as Menem himself has, to face up to the fact that times have changed, and that one has to grow up and change one's political and economic outlook accordingly. While Menem has swayed from the rakish left, to which we all belonged in our twenties, to develop common sense and a poised manner, the Cuban head of state keeps playing the role of Fidel Castro, and at 65 he continues to harp on about the same things he used to say when he was 25.

[Klasse] Have you discussed these things with Dr. Menem?

[Montaner] I have met with President Menem twice, in New York and at Cartagena. On both occasions a bond of sympathy developed between us. Besides, I was rather taken with the fact that he spoke without fear. I have noticed the same attitude in Uruguayan President Lacalle and in Costa Rican President Calderon.

[Klasse] How are relations between the Argentine Government and the Cuban opposition?

[Montaner] Let us put it this way: Dr. Menem believes that Argentine relations with Cuba entail relations with Cuban society rather than with Fidel Castro. Therefore he believes that the opposition is part and parcel of Cuba's current situation. It goes without saying that we are talking of a moderate opposition, such as ours, that is seeking the reinstatement of democracy by peaceful means and general elections. I have had a lengthy discussion with Dr. Eduardo Angeloz. I think he is an equally understanding person.

[Klasse] What is the Cuban Democratic Platform, and how was it set up?

[Montaner] The Cuban Democratic Platform was set up in Madrid, on August 14, 1990. It is made up of a coalition of moderate and fully independent political parties which have agreed upon a common strategy designed to ensure a peaceful transition to democracy and freedom in Cuba.

The Democratic Platform is made up of three political parties, namely the Cuban Liberal Union, the Cuban Christian Democratic Party, and the Cuban Social Democratic Coordination. The three of them are members of their respective Internationals.

Backed by the support of scores of friendly political parties and governments, the Cuban Democratic Platform propounds holding elections in Cuba in which all parties will be able to vie with one another, within a legal framework that protects the dignity and safety of the losers.

[Klasse] Given the type of opposition and their members, is it possible to establish in Cuba a smooth-as-silk revolution such as the one Havel led in Czechoslovakia?

[Montaner] You mean what sort of opposition is it? First, the key figures, the Havels and the Walesas, are on the island and not in Miami. They are Gustavo and Sebastian Arcos, Elizardo Sanchez Santa Cruz, Roberto Luque Escalona, Mario Chanes de Armas, Maria Elena Cruz Varela, Indamiro Restano, Osvaldo Paya, and scores of courageous dissidents and advocates of human rights. True, there are only a few of them, and they are at their wits' end, but let us remember that only a few months ago Czech President Vaclav Havel, Bulgarian President Zhelyu Zhelev, and Hungarian President Arpad Goncz were in the same boat. The Cuban Democratic Platform embodies that trend, as it has understood that armed rebellion is no longer a viable solution.

[Klasse] Are there any opposition parties in exile that refuse to accept a solution such as the one espoused at the Naval Club agreement in Montevideo, which was the basis for a transition to civilian rule, or the amnesty law passed in Argentina?

[Montaner] There is the Cuban-American National Foundation, which is a powerful lobby [preceding word in English] organization led by a group of wealthy Cubans and spearheaded by Jorge Mas Canosa, a powerful Miami leader who has some connections with the Bush administration.

The strategy of the foundation is as simple as it is dangerous—to instigate a military coup in Cuba, to get rid of the Castro brothers, and to offer the winning party a reconciliation with the United States, by acting as a go-between.

[Klasse] Are you essentially democratic? Do you accept the minorities' right to be respected?

[Montaner] We do not approve of bloodshed to achieve democracy. We do not want there to be vengeance or outrages when Cuba becomes free. We aspire to have the rule of law and reason prevail, and to be able to, once and for all, build up a society in which no Cuban will ever be persecuted for his beliefs or ideas.

[Klasse] What is the current situation in Cuba like?

[Montaner] If I had to choose a single word to describe it, I would use the term despair. For many years, our country has been gradually heading downhill toward its doom, but now it is in freefall. About 50 percent of the population goes to bed on an empty stomach, nothing but a glass of water with some sugar. Thousands of people are transplanted from the cities to the countryside simply because factories and public utility companies have to close down due to lack of raw materials and electric energy. Fidel began by promising to put Marx's ideas into practice, and has ended up trying out H.G.

Wells'. Whereas the rest of the world is approaching the 21st century, we have embarked on a journey to the 19th century.

[Klasse] Where does it all lead to, I wonder? Where will Castro stop?

[Montaner] Nobody really knows, but I recall what a Czechoslovak lady told me once. She said that the Cuban people under Fidel Castro would regress to the Stone Age. I do not think so, though. Castro's regime cannot last much longer, as it is literally impossible to systematically wipe out the social and cultural complexities of a nation. Whenever Castro says that Cubans can live in the countryside, as runaway slaves and rebels against Spain used to do in the last century, he is overlooking the fact that our country's makeup in 1992 is unmistakeably different from the one it had in 1895, when our last war broke out.

[Klasse] How does Castro manage to remain in power? How did he manage to hold on to power for so many years?

[Montaner] The naked truth is that he has managed to do so thanks to a combination of Soviet protection and economic support, and his undisputed talents as a born leader. The former component no longer applies, and the latter is crumbling due to utter failure.

Notwithstanding this, it is difficult to get rid of tyrants, for their power is buttressed by intimidatory tactics which undermine the will to criticize among members of their entourage. Castro is currently surrounded by puppets and performing seals. That is the sad outcome of every totalitarian dictatorship.

[Klasse] Which are the most obvious indications of dissent in Cuba?

[Montaner] There are signs of discontent at all rungs of society, although it is among the young that it is more forcefully aired. Cuba's young people seek nothing but to leave their country to live somewhere else. It is not true that indoctrination has achieved success in persuading young people. Those who realize that their whole life lies before them are precisely the ones who are further removed from Castro's nightmarish regime. On the contrary, the only group that supports Castro is made up of people who are over 60 and who are afraid of change. They are the ones who in their youth devoted all their efforts to fulfilling a dream, which turned out to be a tragedy.

Let us add that not all old people support Castro, just a negligible minority, as hunger and physical hardship are especially harsh on the elderly.

[Klasse] What percentage would support the government if free elections were held in Cuba?

[Montaner] I do nt think that Castro would obtain more than 10 percent at the polls. How many votes would a candidate poll in Argentina after more than 30 years of rationing, 16 years of involvement in African wars, a million exiles, and at least 5,000 executions? Castro has not undergone one but many Falkland wars. A year and a half ago there was a popular song in vogue in Cuba called "That Man is Crazy." There might have been a reason behind that.

Maria Elena Cruz Varela's Affair

[Klasse] The Argentine Pen Club recently made a hair-raising accusation regarding the affair of the Cuban poet Maria Elena Cruz Varela. What really happened to her?

[Montaner] Maria Elena is an outstanding writer; she was awarded the National Poetry Award in Cuba in 1982. She dared to speak out to demand, together with other intellectuals, a national dialogue to make an in-depth and honest study of the country's problems. She surrounded herself with other young intellectual people and set up a liberal group called Alternative Approach, but her endeavor was very short-lived. After a meeting she had with Juan Luis Rodriguez Vigil, a Spanish socialist politician and Asturias' head of government at that time, who was visiting Cuba's capital city in an official capacity, Castro ordered an act of repudiation [un acto de repudio] staged against her, and she was arrested.

[Klasse] What does Castro mean by an act of repudiation against her?

[Montaner] It is a sort of pogrom, such as the massacre of Jews in Europe. A lynch mob—which is called the Rapid Deployment Brigade in Cuba—raids your home, destroys your furniture, gives you a good beating, and drags you out to the street on bended knees. Maria Elena had to endure all that. She was dragged downstairs and was subsequently forced to swallow all her writings in which she urged Cubans to settle their squabbles by means of peaceful negotiation. All her neighbors and her children, who cried, panic-stricken, witnessed that scene. She was found guilty of being a public nuisance, of creating enemy propaganda, and of other packs of lies, and was then sentenced to several years' imprisonment. Her case, however, served to shake up intellectuals all over the world. While in prison Maria Elena received numerous awards, including the Liberal International's Freedom Award. Besides, she has been singled out for this year's Nobel Peace Prize by leading figures such as Oscar Arias and hundreds of other well-known personages.

[Klasse] How long will Castro last?

[Montaner] That is rather difficult to determine, but I believe it will be a miracle if he remains in power until 1993. As of August Cuba is going to be facing an unprecedented domestic crisis, and we assert, though sick at heart, that a high percentage of Cuban citizens are sure to die of infectious diseases, malnutrition, and poverty. For that we cannot blame the hackneyed American blockade, but rather Castro's stubbornness. If he were in dead earnest to launch, whenever he feels like it,

a policy of glasnost—even to the risk of losing clout—the Americans would be shorn of pretexts for not trading with Havana.

Moreover, one should not accept the contention that the dictatorial government is able to remain in power because there is a blockade. That would be as absurd as trying to justify the establishment of a dictatorial government in Argentina, on account of a trade severance with the United States or Great Britain, until trade restrictions were scrapped. The moment the blockade is lifted, Castro will resort to other wiles to remain in power.

Haiti

Parliamentarians on CEP, Senatorial Elections

FL3007202092 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 30 Jul 92

[Excerpts] Three Haitian senators have given their impressions on the poor way the Senate is functioning. The way they are working risks compromising the existence of this branch of the parliament. According to Haiti's Constitution, elections must be held in the country every two years for the renewal of the mandates of nine senators. But so far, nothing has been done because the law on territorial communities which will lead to the formation of the Permanent Electoral Council [CEP] has not yet been issued. In addition, the House of Deputies will recess in 45 days. The Senate has now become a game room, not to say a junk shop. The senators come when they want. Some are present, but do not answer the roll call while others (?leave) the session as soon as it begins. This means they are not willing to work. They are using the state's money and cars while the people, who have elected them, are starving.

Anyway, elections must be held in the country before long for nine senators. What will happen to this branch of the legislative power if elections are not held? Ebrane Cadet, the first secretary of the Senate, believes it is not reasonable for parliamentarians to be paid without working. The senator [Cadet] thinks those parliamentarians should resign so the money of the unfortunate taxpayers can be used for other purposes. Senator Cadet goes so far as to ask that the Constitution be amended so the executive can be empowered to dissolve the parliament when they are doing nothing at the chamber.

[Begin recording] [Cadet] [passage omitted] Is there a possibility that the parliament will be dissolved? I do not believe anyone should dissolve the parliament. I, however, believe that, morally and conscientiously, if someone is paid for a job and does not do the job, he should say: First, I am incompetent; or second, it is too difficult for me to do the job. And I have reversed my decision, that is I realize that I cannot do the job assigned to me, that there are too many hindrances, that there are too many difficulties, and that I have therefore resigned because I have realized that I cannot do it.

[Unidentified reporter] Does that mean that in your opinion the parliament might be dissolved if those senators and deputies do not want to do their jobs?

[Cadet] Why should the country continue to pay 83 deputies—although three of them are not there—and 27 senators considering that the task assigned to them is not being done? One hundred and ten people [the parliamentarians] are receiving a sum of money every month but they are not doing the job. If the nation knows what it wants, and considering that the parliamentarians are not doing the job which has been assigned to them, the nation must ask for explanations on what they have done with the money they are receiving, why they are receiving that money, and whether they have carried out the work which has been assigned to them.

[Unidentified reporter] Do you mean that instead of paying those senators and deputies who do not do their job, the parliament should be dissolved and that the money should be used to the advantage of the people?

[Cadet] I do not say that the parliament should be dissolved. I could say that the parliament should become conscientious. [passage omitted]

[Unidentified reporter] According to Sen. Cadet, if the elections for the renewal of the terms for one third of the Senate are not held, the upper chamber should be suspended. [passage omitted] [end recording]

Sen. Robert Martinez [National Front for Change and Democracy, FNCD] thinks that elections will be held in the country by the end of the year. Concerning the law on territorial communities, the southeastern senator says the parliament should sit permanently so they can manage to vote on the articles [as heard]. Sen. Martinez also says that the law on territorial communities cannot be promulgated as long as there is no president in the country. [passage omitted]

According to Sen. Bernard Sansaricq, the slowness of the Senate's activities is a result of the attitude of the FNCD parliamentarians who are disrupting the sessions. Sen. Sansaricq says that before long they will expedite the vote on the laws pending and create the CEP which has to hold elections before the end of the year. The Grand'Anse senator [Sansaricq] announced firmly that the embargo will be lifted.

The senator is happy that the United Nations has decided to intervene in the Haiti matter. He thinks this will allow the crisis to be solved more easily. [passage omitted]

[Begin recording] [Unidentified reporter] Sen. Sansaricq, you say that the embargo will be lifted. Is it from first-hand knowledge or is there something that allows you to say so?

[Sansaricq] No, No. According to my contacts, following my trips, following the mission just fulfilled in the Dominican Republic, there is a general outcry everywhere, (?especially) in the Dominican Republic and the

United States. I just received a fax from the United States informing that Florida Governor Chiles will hold a meeting with U.S. businessmen who are asking that the embargo be lifted. [passage omitted]

[Unidentified reporter] What do you think will happen if the elections for the renewal of the Senate are not held?

[Sansaricq] Well, this is something I do not even envisage. Senatorial elections will be held in December anyway. This is the word of Sen. Sansaricq.

[Unidentified reporter] That means that you will have time to set up the CEP?

[Sansaricq] Definitely. Nothing will stop us. You see that for the time being we are a bit slow, we are showing patience. But we will speed up.

[Unidentied reporter] For his part, Rony Mondestin states that in the event that legislative elections are not held, the parliament will still exist. He thinks that just as there is a de facto government in the country, there is no problem with a de facto Senate. In his opinion, Father Aristide must physically return to the country so the crisis can be solved. [end recording]

Salinas Sends PRD Letter on Michoacan Elections

PA3007191192 Mexico City Canal 13 Television Network in Spanish 1300 GMT 29 Jul 92

[Text] The executive branch will continue to respect the election process and its conclusions because according to the law it is an exclusive matter of the Michoacan people, President Carlos Salinas de Gortari said in a letter, released through his government secretary, in which he responded to a document delivered to him by PRD [Party of the Democratic Revolution] leaders in Michoacan.

This is the text of the president's reply: I have received the letter in which you state that the Michoacan election process is taking place under the terms established by the state's constitution and laws. I praise your adherence to the legal order and the country's institutions as expressed in the referent document. The executive branch will continue to respect the election process and its conclusions as established by the law, which states it is the exclusive concern of the Michoacan people. I recognize your commitment to resolve political differences through legal means and I reiterate my respect and consideration as a Mexican citizen.

The letter delivered to the president by the Michoacan PRD speaks in favor of impartial election processes and strict compliance with the law in addition to complying with all the terms as established by the state election law in the recent elections. The letter points out that the state electoral tribunal has until 14 August to resolve any challenges that are presented by the political parties that participated in the recent elections.

Haitians Granted Asylum by Foreign Secretariat

PA3107013192 Mexico City NOTIMEX in Spanish 0945 GMT 30 Jul 92

[Text] Mexico City, 30 Jul (NOTIMEX)—Mexico has granted asylum to 12 Haitians who on 24 July were authorized to leave their country, the Foreign Relations Secretariat (SRE) has reported.

The SRE issued a communique stating that among the refugees are labor and political leaders and intellectuals. The SRE explained that for this reason, diplomats at the Mexican mission in Port-au-Prince maintained close contacts with Rosario Green, deputy foreign relations secretary.

The refugees are Joel Paul Hector, Elizabeth Toussant, Marie Chimene Sylvestre, Monsther Senatus, Robert Marmel, Marie Natalie Lamaut, Jean Robert Riva, Pierre Michele Laguerre, Jina Mondat, Mariete Noel, Marter Pierre, and Wooemanley Pierre, the SRE communique concluded.

Cooperation Agreement With Belize Signed

PA3007193992 Mexico City NOTIMEX in Spanish 0934 GMT 30 Jul 92

[Text] Mexico City, 30 Jul (NOTIMEX)—It was reported here at the end of a bilateral interparliamentary meeting that Mexico and Belize have signed cooperation agreements on the counternarcotics war, immigration, tourism, and electricity.

Florencio Marin, Belizean deputy prime minister, said, "our two governments have signed an agreement on drug trafficking. They will appoint a bilateral commission."

Marin said that Belize cannot remain aloof of the Free Trade Treaty between Mexico, the United States, and Canada. Belize is pleased with Mexican President Carlos Salinas de Gortari's plans to extend it to Central America. He said that the delegates agreed to renew the treaty by which Mexico sells electricity to Belize. Marin said that Belize will adopt a flexible policy on refugees arriving from conflict-ridden Central American countries to allow them to remain in Belize.

The two countries also agreed on a bilateral program to prevent and eradicate cholera, promote infant vaccination campaigns, and the teaching of basic sanitary measures. It was also agreed that the two countries will promote necessary measures to insure free international air, land, and sea traffic in the area.

Hungarian Reportage on Salinas Visit

WA2907145592

For Hungarian reportage on Mexican President Carlos Salinas de Gortari's visit to Hungary, including reports on talks between Salinas and President Arpad Goncz and Prime Minister Jozsef Antall, see the Hungarian section of the 27 July and subsequent issues of the East Europe DAILY REPORT.

Guatemala

President Appoints New Government Minister

PA3007171292 Panama City ACAN in Spanish 1618 GMT 30 Jul 92

[Text] Guatemala City, 30 Jul (ACAN-EFE)—An official source reported today that Francisco Perdomo, currently deputy director of the Guatemalan Telecommunications Enterprise (Guatel), will replace Government Minister Fernando Hurtado who has resigned.

Hurtado will relinquish his post 31 July. He resigned last week because of political pressure following the beating of a group of peasants by National Police "anti-riot" squad. Presidential spokesman Fernando Muniz said that Perdomo will assume office 3 August.

Meanwhile, Arturo Alvarado on 30 July took over as the Presidency's new public relations secretary, replacing Gonzalo Asturias, who will assume another post in the administration.

Archbishopric Office on Human Rights Situation

PA3007164992 Guatemala City Teleonce Television in Spanish 0400 GMT 29 Jul 92

[Text] The Archbishopric of Guatemala has announced that the government cannot evade its responsibility over the political unrest and the violent actions that are evidence of a brutal and backward concept of the exercise of state political power.

The statement is contained in an analysis by the Archbihopric Human Rights Office of the Guatemalan political situation during the first six months of 1992. The analysis is entitled: Are There New Expressions of State Terrorism in Guatemala? The document says that the first six months of 1992 show how the government continues to express this political tradition of terror that does not allow Guatemalan society to overcome obstacles such as impunity, lack of tolerance, and closed (?democratic) opportunities.

The Archbishopric Human Rights Office pointed out certain facts to support its statements, such as pressure exerted on the media, intimidation of judges, deaths, attacks against the University of San Carlos, impunity for violations of human rights, repressions by the Hunapu Task Force Plan, the setback in the recovery of the economic and social rights, and irrational violence.

The document also notes that within interal armed conflict, military actions have increased and thus entailed violations of human rights by both sides.

Honduras

Army Asked To Help Police Fight Violence

PA3107010192 Panama City ACAN in Spanish 1647 GMT 30 Jul 92

[Text] Tegucigalpa, 30 Jul (ACAN-EFE)—On 30 July Honduras' Legislative Assembly urged the Armed Forces to patrol the country's main cities to counteract the wave of social violence that is lashing this Central American country.

The motion urging the military to leave their barracks was presented at the Legislative Assembly by Deputy Roberto Alonzo Matute of the governing National Party.

The motion calls on the Armed Forces to have the Army work in coordination with the police to conduct search patrols in the country's main cities, especially in the most populated ones.

The Honduran police force consists of less than 8,000 officers lacking equipment and other means necessary to accomplish their functions.

Several police officers have told ACAN-EFE that in addition to having a reduced force, the police have organizational problems at the command level.

Deputy Matute's motion was approved by the Legislative Assembly. During the debate, one of the deputies said the Armed Forces must justify its annual budget, estimated to be around $50 million, for the country's defense and public security.

The Honduran Army is composed of approximately 27,000 men, trained and equipped by the United States.

The wave of violence has increased in the past three years due, according to various Honduran social sectors, including the military sector, to the unemployment situation and poverty. The military has admitted that crime always has the upper hand.

Polish Deputy Minister Visits Tegucigalpa

PA3007150492 San Pedro Sula TIEMPO in Spanish 26 Jul 92 p 2

[Text] Tegucigalpa—Polish Deputy Foreign Minister Zbigniew Lewichi left for El Salvador on 25 July after meeting with officials and representatives of the private sector in this capital.

Zbigniew Lewichi arrived in Tegucigalpa on 23 July with Kazimierz Duchowski, Polish ambassador to Central America, and Przemyslaw Marzec, second secretary of the Polish Embassy.

During his visit, the Polish diplomat spoke to officials and businessmen about the possibility of establishing commercial relations between Honduras and Poland, considering Honduran coffee and bananas and Polish fertilizers as the products initially intended for trade.

The official is touring all Central American countries within the framework of commercial opening. It is expected that a mission of Polish businessmen will arrive in September to complete negotiations.

Lewichi traveled to San Salvador on 25 July.

Cooperation Agreement Signed With Germany

PA3007152392 Tegucigalpa LA TRIBUNA in Spanish 27 Jul 92 p 2

[Text] An intergovernmental meeting on financial and technical cooperation between Honduras and Germany was held in Tegucigalpa 20-22 July. This meeting was aimed at reprogramming the bilateral aid between the two nations.

The German delegation was made up of Dr. Helmut Schaffer, head of the delegation from the Economic Cooperation MInistry; Dr. Friedrich Kalf; Mrs. Helga Kippels of the same ministry; Peter Luchmann; and Walter Eickhoff, the German ambassador to Honduras.

Honduras was represented by Jacobo Hernandez Cruz, the acting president; Orlando Funez Cruz, minister of the Secretariat for Coordination, Planning, and Budget (Secplan); and Secplan Deputy Minister Manuel Euceda.

The consultations resulted in the signing of an agreement to reprogram 31.5 million German marks ($28 million) for technical and financial aid. This aid will help develop various social projects throughout the country.

Through this agreement, certain socioeconomic projects—such as a program to develop and protect forests in the Mosquitia region, the Honduran Fund for Social Investment, and the National Autonomous Aqueduct and Sewage Service (Sanaa)—will be carried out.

In addition, the two governments will analyze financing to improve telecommunications, the strengthening of rural primary education, the granting of food aid, and training for Honduran professionals.

Dr. Schaffer praised the structural adjustment measures that the government is taking with so much effort. He noted that this process has considerable effect on bilateral cooperation, particularly in the forestry area, which the German Government has described as a priority.

He also stressed the willingness of his country to support programs aimed at solving the social and economic problems of the neediest sectors.

Agreement With Japan To Modernize, Improve Ports

PA3007140892 Tegucigalpa EL HERALDO in Spanish 28 Jul 92 p 30

[Text] On 29 July, Honduras and Japan will sign a cooperation agreement to modernize and improve the country's ports.

Mauro Membreno, minister of communications, public works, and transportation, received a delegation of the Japanese International Cooperation Agency (JICA) to finalize the details of the agreement. Luis Gomez, manager of the National Port Enterprise (ENP), also participated in the meeting.

The program will be implemented within a three-month period. During this period, a final study will be conducted on Honduras' maritime ports, including plans, administration, and general policies concerning their operation and privatization.

The Japanese will analyze which areas of the port activity can be privatized. However, the government official stressed: "We do have a saying in these decisions because it is all a result of a general government policy to give the private sector greater participation in the operation of Honduran ports to better develop the maritime transportation activity."

Nicaragua

Students Take Over Telcor, Airport Offices

PA3007203392 Managua Radio Sandino in Spanish 1901 GMT 30 Jul 92

[Text] As part of the escalation of the struggle by university students, on the morning of 30 July hundreds of students simultaneously took over indefinitely the installations of Telcor [Nicaraguan Telecommunications and Postal Services Institute], airport facilities, and the offices of Education Minister Belli.

According to the leaders who support the campaign to allot 6 percent of the national budget to the state universities, the students will not abandon the buildings that have been taken over until the authorities respond to their demands.

Approximately 100 students are inside the Jorge Navarro Building, which houses Telcor, while outside youths are blocking the streets to prevent the possible advancement of riot police, who are expected to arrive any time.

Another large group of university students took over the installations of Sandino Airport at the time the minister of construction and transportation was inside the building trying to end a strike by airport workers that began several days ago.

Despite the fact that riot police have not shown up at the Telcor installations, the situation remains very tense because members of Section Four of Police have cordoned off the area. Gonzalo Carrion, leader of the Ceuca [Confederation of Students of the Central American University], stated that the students will remain inside the offices until the government heeds their demands.

[Begin recording] [Carrion] This is another form of protest, within the context of peace. We do not have any

weapons. In any event, the public forces who were ordered to remove us are the ones who will hurt us. We do not have weapons. Our comrades are armed with their sheets and the will to defend this university. [words indistinct] in the framework of a peaceful, mature, and firm protest.

[Unidentified reporter] [words indistinct]

[Carrion] We will remain here until the government sits down to negotiate with us. This intransigent and irresposible government wants to shut down the universities and open universities for the rich.

[Reporter] What services have been suspended at this time?

[Carrion] We have taken over the Jorge Navarro Building. There are more than 100 UCA students and some professors within this building. Other fellow university students are here with us outside the building and other comrades who have supported us are coming here. This takeover began two hours ago and [one-second break in reception] will remain firm until the government begins to negotiate with us seriously.

[Reporter] What offices have been taken over at this time?

[Carrion] I am not aware of it at this minute because we are acting in several places. We are not being paid. Those who believe that we will get tired of protesting are wrong. Our morale is still high and we will defend the university to the end. [end recording]

These were the statements by Ceuca leader Gonzalo Carrion.

Sandinists Approve Document on Economic Proposals

PA3007145392 Managua LA PRENSA in Spanish 27 Jul 92 pp 1, 16

[By Felix Navarrete]

[Text] The Sandinist Assembly on 25 July approved, amidst strong controversy, a document proposing to the government "a change of path" in the economic plan and a series of alternatives to lessen the crisis that the country is enduring.

The primarily economic document was criticized by a broad group of militants attending the Sandinist Assembly who charged that the party never takes a clear stand regarding the government.

A Sandinist militant who asked not to be identified noted that "there is always a contradiction between what is said and what is done." This militant told LA PRENSA that Commander Tomas Borge has told his followers about his disatisfaction with the work carried out by the Sandinist leadership.

After a meeting that lasted more than eight hours, the Sandinist Assembly approved a document that contains economic proposals to the government. Some militants of the radical sector rejected the document and characterized it as "demagogue."

There are indications that the document approved by the Sandinist Assembly did not fulfill the expectations of some militants. Some quipped that they "should have stayed home to watch the Olympic Games."

The document on which the Sandinist National Liberation Front [FSLN] has been working for several weeks has been strongly criticized by the radical sector of the Sandinist Assembly, who described it as "fighting cock-chicken" duality.

According to an FSLN militant who would not give his name, the meeting carried out on 25 July has made evident that "the contradictions between some members and the national leadership are becoming increasingly clear."

The meeting began at 1000 and ended at 1630, according to LA PRENSA sources. It was a closed-door meeting. Some journalists were able to notice that some militants left the room.

The meeting became heated when one of the participating militants leaked that one of the FSLN leaders had sent a copy of the document to Presidency Minister Antonio Lacayo before the meeting had taken place.

A member of the Sandinist Assembly who participated in the meeting said that "as a result of this, some of the most radical militants of the FSLN left the room."

Another issue on which the Sandinist leadership would not comment was the recent statements by General Humberto Ortega on the violent events of last week.

One of the Sandinists who left the meeting dissatisfied said: "Some of us wanted the document to state our party's position on the statements by General Ortega, but this did not happen."

According to some members of the FSLN leadership, the meeting was a waste of time because no key issue was discussed and there were rhetorical and "demagogic" speeches of the type delivered in recent months by some members of the Sandinist leadership.

Assembly Issues Statement

PA3107014992 Managua BARRICADA in Spanish 28 Jul 92 pp 1, 12

[Text] Commander Daniel Ortega rejected the current "capitalist model" that the government is promoting and presented, on behalf of the Sandinist Assembly of the FSLN [Sandinist National Liberation Front], a statement containing general guidelines for a policy that "will not exclude anyone and will give priority to the popular sectors."

In exchange, the FSLN promises to respect individual and collective private property by "not encouraging the takeover of land and productive centers," the statement reads.

In this document issued by the participants of the Sandinist Assembly's Rogelio Ramirez extraordinary session, the FSLN demands that massive sources of employment be created in the short term for the popular sectors. It also demands a guaranteed "fair distribution" of credits to small and medium-size producers and cooperatives.

Commander Ortega brandished the two UN indicators on Nicaragua—70 percent of the population living in extreme poverty and a 56-percent unemployment level—to demonstrate the country's explosive situation and the resultant need for an "in-depth" reorientation of government policies.

After reading the statement, Ortega said that "for the country to have stability, the government must respond positively."

The accumulated deterioration of more than a decade of war, the drop in international prices for exports, and the cost of the economic reinsertion process of both sides involved in the military confrontation are the causes of Nicaragua's problems.

The problems of recession, generalized unemployment, and run-down social services are made worse by structural adjustment and stabilization policies, Ortega added.

The main obstacle to economic reactivation is "the lack of property security" and the absence of a government "policy of promotion and development."

"The option of the use of government force against popular protests has been gaining ground" in the absence of other solutions, the statement said.

Daniel Ortega criticized his brother, General Humberto Ortega, for confusing popular sectors affected by government policies with "interested minorities" and called for prudence. But he agreed with his brother in reaffirming the FSLN's rejection of the use of violence.

Ortega added that the National Police, as guardians of public order, "should not play down popular sector struggles and should not use force and armed aggression against those who protest."

The FSLN also rejected the use of the Army "to resolve problems that are civilian and political concerns," emphasizing that using the Army "to keep domestic order" distorts its constitutional objective to defend national sovereignty and territorial integrity.

Notwithstanding, the statement justifies the Army's existence and states its disagreement with calls by "reactionary sectors, both at home and abroad," to disown and sabotage the transition agreements related to "the integrity of the Armed Forces."

The main Nicaraguan political party demands that the government deliver the title deeds to agrarian reform beneficiaries and to those who received land plots and homes in accordance with Laws 85 and 86.

The FSLN also asks for "quick procedures and fair compensation" for everyone whose legitimate property rights have been affected and whose property cannot be replaced. It also asks that worker participation in 25 percent of the state's assets as part of the privatization process be guaranteed.

One of the FSLN's main demands is the implementation of a comprehensive plan to help the country's new economically active individuals (140,000 with 4 million manzanas of land). Ortega stated that he does not know why the government did not take advantage of the recent visit by Inter-American Development Bank head Enrique Iglesias to obtain resources for that plan.

The FSLN also demands a policy that will protect the national industry for several years so it can recover and become competitive in Central America. If that is not done, "there will be economic collapse rather than development," the FSLN secretary general warned.

The document also asks that "special attention" be given to the demands of retired members of the Sandinist People's Army and the Government Ministry, as well as to the war disabled and demobilized. It also asks that they be given preference in employment programs.

The Sandinist Assembly urges the government "to stop the deterioration of health and education services," guaranteeing minimum resources to help the neediest sectors.

Commanders Victor Tirado and Jaime Wheelock, members of the FSLN leadership, participated in the news conference during which the document was released.

Cesar on Sandinist Parliamentary 'Boycott'

PA3107012892 Managua BARRICADA in Spanish 29 Jul 92 pp 1, 12

[Text] "The boycott ordered by the Sandinist legislative wing has been successful," parliament President Alfredo Cesar admitted in a somewhat deep and solemn tone, after counting over and over again the list of only 44 deputies who were present (three less than the legal quorum of half plus one) during the foiled session held on 28 July at the National Assembly.

It appeared as though they had been informed of a heartbreaking death, because the faces of the 44 parliamentarians became so upset that it seemed they were about to break into tears.

The matter did not come to tears. But at least eight "centrist" deputies (the ninth deputy missing—Daniel

Tate of the coastal region—said he did not miss the session on purpose) and 39 Sandinist deputies boycotted, achieved a majority, and prevailed. They ruined Cesar's attempts to impose an agenda rejected by the opposition deputies.

In addition to the Sandinist deputies and Tate, "centrist" deputies Gustavo Tablada, Andres Robles, Ivan Salvador Madriz, Guillermo Chavarria, Maxwell Atili (Alvin Guthrie's substitute), Alejandro Solorzano, Alfonso Smith, and Alejandro Perez Arevalo were absent.

Zacarias Hernandez, "suspected" of being a "centrist" deputy, did not show up but he sent his substitute Alejandro Alonso.

The Sandinists have argued since last week that the call for the 28 July session—the first after a 45-day midyear vacation—was illegal, because the agenda was prepared by only four of the seven board members. According to the statutes, they continued, to be able to call a plenum meeting, the participation of at least five board members is required.

According to the opposition deputies, Cesar attempted to continue postponing the election of the first secretary of the National Assembly, a position vacated two months ago by Fernando (El Diablo) Zelaya. It seems that Liberal Party Deputy Ivan Salvador Madriz—founder of the "Center Group" and one of the five UNO [National Opposition Union] deputies accused by Comptroller General Guillermo Potoy in the Antonio Ibarra case—has secured enough votes to be elected as first secretary of the Assembly.

Admitting the success of the "Sandinist boycott," Cesar explained that the call for the 28 July session was not illegal. He accused the opposition legislative wing and the "centrist" deputies of being responsible for the delays that will be experienced during the legislative period.

Cesar went even further and said: "Beginning today, no one knows when sessions will be held again at the National Assembly. Nicaragua's Legislative Branch has been blackmailed and boycotted and I cannot say when will it meet again."

Although he was prevented from beginning the longed for session, Cesar decided to begin some kind of group therapy or fake session in which he gave the floor to different deputies, who attacked the Sandinist National Liberation Front, the government, and the "centrist" deputies.

Conservative Party Deputy Rafael Treminio and Christian Democratic Deputy Cairo Manuel Lopez delivered pompous speeches filled with frenzied patriotic phrases.

Loner Moises Hassan, who is always less subtle than his UNO colleagues, said the lack of quorum was a maneuver by the Sandinists and President Chamorro to "install a military dictatorship with the Army chief as head."

Miriam Arguello stated that Sandinism is a virus that has infected the Executive Branch and she closed her speech with a phrase typical of a leftist leader from a combat barricade: "Be alert, my fellow comrades, because a new era of fighting is beginning."

The last person to speak was former Attorney General Dulio Baltodano, who discreetly disavowed Cairo Manuel Lopez as alleged spokesman of all Social Christians at the Assembly. He ended his speech by asking Cesar to send an "envoy" to speak with the Sandinists and ask them to come to the plenary.

The recommendation by Baltodano apparently bothered Cesar. Later, the group therapy was closed and everyone left.

Another day had gone by at the parliament.

Liberals Demand Ortega, Lacayo, Vivas Dismissal

PA3107032492 Managua Radio Corporacion in Spanish 2200 GMT 30 Jul 92

[Text] The Liberal Alliance [Alianza Liberal], made up of the Independent Liberal Party, Liberal Constitutionalist Party, and Neo-Liberal Party, have issued a public statement demanding the immediate resignation of General Humberto Ortega Saavedra as chief of the Sandinist People's Army. The same document also called for the dismissal of Presidency Minister Antonio Lacayo and Commander Rene Vivas Lugo, chief of the National Police.

The Liberal Alliance demanded respect for the National Opposition Union's government plan for national salvation, which established the process of democratization in the country, not bondage to the Executive Branch. The political group asked for a democratic change in Nicaragua to avoid the continuation of a dictatorship in our country. Signing the document are: Wilfredo Navarro Moreira, Julia Mena Rivera, Guillermo Selva, Ricardo Vega Garcia, Ariel Lopez Lopez, Rodrigo Hernandez, Eliceo Nunez Fernandez, Pedro Matos Gonzalez, and Leopoldo Navarro Bermudez.

'Former Fighters' Occupy Farms, Demand Ownership

PA3107033392 Managua Radio Sandino in Spanish 1830 GMT 30 Jul 92

[Report by Ramon Cebrera from Carazo Department]

[Text] Former Sandinist People's Army [EPS] soldiers and demobilized Nicaraguan Resistance [RN] members have taken over several farms in La Concepcion area, demanding that the government legalize their ownership or relocate them to other plots. In view of the seriousness of this situation and its potential for turning violent, regional delegate Libio Bendana met with the former

fighters in San Marcos to listen to their case. When the meeting ended, Bendana promised to intercede with the central government to purchase properties and turn them over to the former fighters. Bendana's promise, however, did not satisfy the former soldiers, who claimed the government always makes promises and never keeps them.

In another turn of events in Carazo Department, we received a complaint from Masatepe Mayor Jose Omar who wishes to clarify a news item that was broadcast by Radio Corporacion. According to the mayor, Radio Corporacion only shouts and broadcasts silly things. In their 1700 newscast, one of their correspondents said Sandinists in Masatepe are charged fewer taxes than people who are not party members. The mayor explained that everyone in Masatepe is treated equally, regardless of their political persuasion. The mayor added: Our doors are open to that reporter, because we know of no correspondents in that area.

Panama

Two Groups Claim Attack on Finance Ministry

PA3007235292 Panama City Telemetro Television Network in Spanish 1730 GMT 30 Jul 92

[Report by Julia Elena Alvear]

[Text] Two subversive groups have claimed responsibility for the attack on the Finance Ministry. Authorities are currently conducting investigations, and they believe the attack is part of a plot to destabilize the government.

State security organizations have been unable to identify the masterminds behind the 29 July attack on the Finance Ministry, which was carried out with an explosive device.

Amid rumors that the attack was carried out by terrorist groups, National Police Chief Oswaldo Fernandez said a pedestrian evidently threw a stick of dynamite at one side of the Finance Ministry building.

[Begin recording] [Fernandez] It was an explosive device, but it caused no great damage or casualties, nothing to regret. We received media reports on 30 July that two groups are claiming responsibility for the attack.

[Reporter] Which groups?

[Fernandez] I prefer not to mention their names, because certain media offices have told us they have telephone recordings of the people who claimed responsibility for the attacks. The truth is that this is a destabilization campaign, and I do not think we should be playing their game.

[Reporter] Mr. Fernandez, would the security organizations be able to suppress a wave of terrorism if it were unleashed at this time?

[Fernandez] Let us wait and see what happens. [end recording]

Meanwhile, Judicial Technical Police [PTJ] Chief Jaime Abad says the PTJ is conducting investigations, and it is not under a state of alert.

[Begin recording] [Abad] We are conducting investigations. We already have a team working on that specific incident.

[Unidentified reporter] Are any of the terrorist groups that announced their formation a few days ago involved, or is this related to Colombian hired assassins in search of PTJ Deputy Chief Carlos Landero.

[Abad] We are studying both possibilities. We are trying to find out if they were common criminals or if they are politically motivated. Our investigations have not yet produced any results.

[Reporter] Has anyone claimed responsibility for the attack?

[Abad] No, not yet.

[Reporter] There are those who say that the Security Council discussed this issue on 29 July and that the authorities have declared an alert in all state security organizations.

[Abad] We have not declared any alert, and the topic was not specifically discussed. We talked about several topics.

[Reporter] Has surveillance been strengthened?

[Abad] The normal surveillance. [end recording]

Condemnations of this incident were heard immediately.

[Begin Immigration Department Director Antonio Dominguez recording] The people who are carrying out these actions are able to enter the building under surveillance. Citizens should condemn all types of violence that hurt the country's development. They are disrupting the tranquility that we are trying to bring to this country so all Panamanians can peacefully coexist. They are embittered, cowardly people who do not dare to fight as we did in the open. [end recording]

Two guerrilla groups have claimed responsibility for the attack: the Panamanian National Liberation Front [Frente Panameno de Liberacion Nacional], led by a civilian self-styled General Esteban Huertas, and the Torrijist Liberation Movement led by Captain Carlos Saldana, also known as Superman.

Authorities continue with their investigations, and we expect more details on the incident in the next few hours.

Colon Groups, Authorities Reach Agreement

PA3007123392 Panama City LA PRENSA in Spanish 29 Jul 92 p 1a

[Report by Jose Quintero]

[Text] Colon— Following two hours of closed-door discussions, judicial and police authorities reached an agreement with leaders of the unemployed groups of Colon: the Movement of the Colon Province Unemployed (Modesco) and the Broad Front for the Rescue of Colon (Frasco). According to this agreement, the authorities will cease ordering the arrest of leaders and the protesters will not seize streets through violent demonstrations.

The meeting was held at the office of Colon Mayor Alcibiades Gonzalez on the afternoon of 28 July. Those participating in the meeting included Governor Alfredo Ehlers, Bishop Carlos Maria Ariz, Attorney General Rogelio Cruz, National Police Director Oswaldo Fernandez, Technical Judicial Police Director Jaime Abad, and Police Zone Chief Milton Castillo.

Upon announcing the agreement, Msgr Ariz disclosed that it states that the authorities of the prosecuting office, together with the National Police and the Judicial Technical Police, agreed to suspend arrest warrants against Modesco and Frasco leaders. According to the prosecuting office in charge of this process, there were five arrest warrants pending for other leaders. However, tensions eased when the authorities released leader Virgilio Alveo Vega on the morning of 28 July.

Msgr Ariz explained that lawyer Ricardo Stevens, president of the Colon Chapter of the National Lawyers Association, drew attention to the fact that the Colon authorities made several mistakes when they read the charges against the Modesco and Frasco leaders. The administrative and police authorities admitted these mistakes and suspended the warrants in an effort to get these movements to work for the development of Colon.

In turn, the leaders of the two organizations agreed to use peaceful means for their protests; notify the mayor's office when they are to hold demonstrations; refrain from obstructing traffic, disrupting public order, and attacking private property or pedestrians; and, above all, respect authority.

The bishop of Colon announced that Modesco and Frasco promised to use their strength at the negotiating table, particularly in the discussion of the 19 points they have pending with the Top Level Commission.

Finally, LA PRENSA interviewed Mayor Gonzalez with regard to the meeting. He expressed his disagreement with the results of it and refused to make any more comments.

However, he warned that he will not permit any violation to the authority which, he noted, guarantees peaceful coexistence.

Spanish Official Requests Government Assistance

PA3007164492 Panama City EL SIGLO in Spanish 27 Jul 92

[Request for Panamanian Government assistance on drug money launderers by Spanish Assistant Prosecuter Javier Alberto Zaragoza Aguado issued in Madrid on 13 May]

[Text] Javier Alberto Zaragoza Aguado, assistant prosecutor at the Special Prosecutor's Office for the Prevention and Repression of the Illegal Drug Traffic, with main offices in Madrid, greets you and informs you of the following:

This Prosecutor's Office is conducting preliminary investigations 1/89, which were started based on Article 18, paragraph 1-d), of the charter of the Attorney General's Office, regulated by Law 50/81 of 30 December, on the alleged activities of laundering money that stemmed from the illegal drug traffic, which are attributed to Spanish citizens Cesar (who died), Manuel Celestino, and Celso Luis Fernandez Espina, among others. For that purpose, this request is forwarded, based on Article 18, paragraph 1-f), of aforementioned Law 50/81.

The facts that in principle stem from the investigation are as follows:

There are well-founded suspicions that the persons under investigation belonged to a financial organization that laundered the money obtained by the Colombian cocaine cartels. From late 1980 to mid 1985, the Fernandez Espina brothers and other persons with ties to them, opened accounts in the Banco de Santander [Bansander] branch in Gijon (Asturias) and helped persons with ties to them open banking accounts—of these persons we can mention: 1) Jose Ramon Matta Ballesteros (currently serving time in a U.S. jail and facing charges of drug trafficking in Spain), and 2) Gustavo Gaviria Rivero (killed in a clash with the Colombian police in August of 1990), a prominent member of the Medellin Cartel who used the name of Jesus Maria Rivero Garcia—and afterward received from Bansander's Panama branch huge amounts of money, totaling $11,629,880.55, which were sent by different persons.

Annex I lists the different transfers made, sender, recipient, and the amount of each transaction.

The conducts subject to investigation may constitute the offense of money laundering mentioned and punished by Article 546, paragraphs f) and the offense of unlawful association or association to commit a crime, based on Article 173, both of which are contained in the Spanish Penal Code.

The texts of these two precepts and Article 18, paragraph 1-d) are attached as Annex II.

The following legal texts apply to this case, and legal assistance is requested based on them:

The Single Convention on Narcotics of 30 March 1961, Articles 35, paragraphs b) and d), and Article 36, paragraphs 2-a)-II.

The Vienna Convention of 20 December 1988 against the illicit traffic of narcotics and psychotropic substances, Articles 3, paragraphs 1-b) and 7.

The existing principle of reciprocity of international law.

The judicial assistance requested refers to the following:

1. Full identification of the persons and entities that forwarded from Panama the amounts of money mentioned in Annex I.

2. Information on their possible ties to drug trafficking organizations.

3. Origin and source of these amounts of money.

4. Properties belonging to Cesar, Manuel Celestino, and Celso Luis Fernandez Espina, as well as their participation in the Panama, Soloy, and Aramo Hotels and the Plaza Hotel apartments.

5. Banking accounts and deposits of any kind the aforementioned persons may have in your country's banks.

6. Corporations with which these persons may have ties, as shareholders or authorized officials.

7. Relations or participation of the above-mentioned persons with the Banco Interoceanico de Panama.

Within the framework of this cooperation request, I wish to receive from you all existing files and documents contained in the seven points mentioned above which will be of great value.

Feeling certain that you will accept this request for legal assistance, and that all similar requests the authorities of your country may make will be heeded in a reciprocal manner, I am sending this letter through diplomatic channels.

[Dated] Madrid, 13 May

[Signed] Assistant Prosecutor Javier Alberto Zaragoza Aguado

Argentina

UN Committee Issues Resolution on Falklands

PY2907222692 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1807 GMT 29 Jul 92

[Excerpts] Buenos Aires, 29 Jul (NA)—The UN Decolonization Committee today approved in New York, "by a large majority," a resolution on the "Malvinas [Falkland] Islands issue," in which it states the need to reach "a peaceful and negotiated solution" on the controversy over the archipelago's sovereignty.

The Argentine Foreign Ministry today disclosed the decision of this international committee and noted that "the resolution sponsored by Chile and Venezuela was approved by most of the members with no votes against it."

According to the Foreign Ministry, "the Decolonization Committee had stated that the presence of colonialism is incompatible with the UN ideal of world peace." [passage omitted]

The Foreign Ministry headed by Guido Di Tella pointed out that this resolution "has led the international community to renew its favorable opinion toward the Argentine Government's position on the way to resolve the controversy between Argentina and the United Kingdom over the Malvinas Islands, South Sandwich, and South Georgia."

Former Bank Officials Deny Taking Bribes

PY3007220092 Buenos Aires Radio Nacional Network in Spanish 1500 GMT 30 Jul 92

[Excerpts] The BCC group, owner of the Bank of Credit and Commerce International, better known as the BCCI, paid bribes to the Argentine Central Bank [BCRA] president and a board of directors member. This charge was made by New York prosecutor Robert Morgenthau. [passage omitted]

The New York prosecutor said the BCCI paid a political bribe of $500,000 to Radical Civic Union [UCR] BCRA officials to obtain a license to operate in Argentina. The payment was made between 1983 and 1984, which coincides with the end of the military regime and the beginning of Raul Alfonsin's administration. [passage omitted]

Meanwhile, in Buenos Aires, UCR economists Enrique Garcia Vasquez and Alfredo Concepcion, former BCRA directors during Raul Alfonsin's administration, rejected the accusations made by Morgenthau. Garcia Vasquez, who became BCRA president in December 1983, denied having received any bribe from the bank, and he will demand more specific explanations about this subject.

In turn, Alfredo Concepcion, who replaced Garcia Vasquez in 1985, agreed with him and said that if the U.S. court knows the names of the people involved, it should present them. [passage omitted]

Defense Companies' Privatization Viewed

PY3007221292 Buenos Aires Radio Nacional Network in Spanish 1500 GMT 30 Jul 92

[Text] The Eximbank of Japan will participate in the rationalization and defense companies privatization program signed on 16 June by Defense Minister Antonio Herman Gonzalez with the World Bank in Washington. The memorandum of understanding signed by Minister Gonzalez foresees a $350 million financing for this program. According to the memorandum, the Eximbank of Japan and the Inter-American Development Bank [IDB] may join the program with similar disbursements.

Planning Secretary Pereyra de Olazabal and other government officials explained the different stages of the privatization plan, which encourages the restructuring of companies' work forces and the financing of voluntary retirement and severance payments.

The Eximbank and the IDB normally grant credits similar to those of the World Bank. An equivalent credit is not necessary in this case.

Edenor Electric Power Company Privatized

PY3007230892 Buenos Aires BUENOS AIRES HERALD in English 30 Jul 92 p 1

[Excerpts] (NA-DYN)—Electricidad Argentina consortium, led by companies Astra and Electricite de France, was awarded Edenor electric power company yesterday, completing one of the most eagerly awaited privatizations of President Carlos Menem's privatization program.

The bid-winning consortium, that also includes Spanish companies Empresa Nacional de Electricidad and Empresa Nacional Hidroelectrica del Ribagorzana in addition to French company Societe D'Amenagement Urbain et Rural offered a total of 427,972,977 pesos for a 51- percent stake in Edenor. Of this total, 30 million dollars will be paid in cash and the balance in foreign and domestic debt bonds. Sources said the bid was 65 percent above government estimates. [passage omitted]

The newly privatized Edenor will be in charge of power distribution in northern Buenos Aires, with Spanish company Empresa Hidroelectrica de Ribagoranza as systems operator. The tender for Edesur, which is slated to operate in southern Buenos Aires, will take place today. According to tender conditions, the Edesur tender will be open to yesterday's losers.

Former Segba [Greater Buenos Aires Electrical Services] state power utility was split into Edenor and Edesur specifically for privatization purposes. Thirty-nine percent of these companies will be put on sale to the public later in the year. The remaining 10 percent of stock will be distributed among company employees.

*Update on Railroad Privatizations Provided

92SM0503C Buenos Aires AMBITO FINANCIERO in Spanish 22 Jun 92 p 11

[Text] For the time being, the government is having greater success in leasing railway services than in transporting cargo, to which we could add long-distance passenger service.

There are a great many bidders for the metropolitan railway lines. The increased interest is due to the fact that this is a subsidized service. Several of the seven consortia interested in the suburban lines have already asked to take over as many of them as possible.

Meanwhile, according to the information for bidders, one consortium can take over all seven suburban lines except for one (one of them, Urquiza, also includes underground tracks). The experts in charge of the privatization think that owing to the scope of the metropolitan railway system "ideally there would be at least three operators."

"A lot of money and organization is required to run a system like Metropolitan Railways, which is one of the largest in the world in the number of users and length of track," the director of the privatization, Jorge Kogan, argued.

There are still few bidders for the general railway lines, which are being auctioned off only in their cargo-transport section, while the passenger service remains optional. The Belgrano line was declared without bidders, and only one was tendered for the Urquiza and Roca lines.

The following is the current status of the railway privatizations:

Argentine Railways (cargo transport)

Rosario-Bahia Blanca Railway: Already being run by a consortium headed by Techint.

Mitre Railway: Lease already signed with the consortium headed by Aceitera General Deheza. The transfer will be concluded in October.

San Martin Railway: The transfer contract is being negotiated with a consortium made up of IMPSA (Pescarmona Metallurgic Industries, Inc.), Roman Maritima, Transpelt, and Gervasio Bunge, with the Railroad Development Corporation as the railway operator. The pre-awarding has already been completed.

Urquiza Railway: A single bid was submitted and is being evaluated at this moment. The bidding consortium also includes IMPSA, along with Olmatic SA, Alesia SA, Petersen, Thiele, and Cruz SA. The operators are the Railroad Development Corporation and the Consolidated Rail Corporation, Conrail. The presence of Pescarmona in this line, besides San Martin, does not seem to the government's liking, and a proposal from the Railway Union to take over the line was given wide publicity.

Roca Railway: The financial bid from the sole tendering consortium, headed by Loma Negra, is being studied.

Belgrano Railway: There were no bidders. A division of the line into sections is being considered because it currently stretches more than 6,000 kilometers and runs through 13 provinces. Companies from the northern part of the country are reportedly interested in running part but not all of it. The Railway Union has also submitted a proposal here.

Passenger Transportation

Buenos Aires-Mar del Plata: Four consortia are submitting bids, and their background is currently under study. One consortium is headed by Benito Roggio, along with Transurb Consult of Belgium. Another is headed by Sideco, teamed with a Canadian (Vial Rail) and a Japanese operator (Jarts). A third consortium is headed by Ferromel and has technical support from Sofrerail of France and Canarail of Canada. The fourth includes Edificadora del Litoral with Transmark of Great Britain as the operator.

As for the suburban railway lines, envelopes have already been opened for Sarmiento, Mitre, and Urquiza, in a package deal with the underground lines. There were six bids for Sarmiento, five for Urquiza and the underground lines, and four for Mitre.

Those interested in the Sarmiento Railway are: the consortium headed by IMPSA, with New Zealand Rail, Amtrak, and the Berger Group as the railway operators; the group led by Benito Roggio, with Burlington Northern as the operator; the one headed by Pardo Robello, with Transmark, a subsidiary of British Railways, as the operator; the one headed by Trainmet (FATAP [Argentine Federation of Automotive Passenger Carriers] enterprises) with Italian operators and Jarts of Japan; the consortium headed by Sofrerail with Intermetro of Italy, and the consortium comprising Chilean transport firms and Supercemento.

The bids for the Mitre and San Martin lines will be received on 7 July.

Status of Railway Privatizations

Railway	Current Status
Cargo Transport	
Rosario-Bahia Blanca	Already run by a private consortium
Mitre	Lease signed. To be transferred in October. Contract being negotiated with a consortium headed by IMPSA with the Railroad Development Corporation as the operator.
Urquiza	Only bid tendered is being considered. The bid is from a consortium also headed by IMPSA.
Roca	Only bid tendered is being considered. The bid is from a consortium headed by Loma Negra.
Belgrano	Bidding declared void for lack of bidders. Division of line and a new call for bids being considered. Proposal from the Railway Union to take it over.
Long Distance Passenger Transport	
Buenos Aires-Mar del Plata	Background on four bidding consortia being studied.
Passenger Transport/Metropolitan Lines	
Sarmiento	Background on six consortia that tendered bids being studied.
Urquiza and underground lines	Background on five interested consortia being studied.
Mitre	Background on four bidding consortia being studied.
Roca and San Martin	Envelopes with background information to be opened and financial bid to be received on 7 July.
Belgrano North and Belgrano South	The envelopes with background information to be opened and the financial bid to be received on 20 August.

Bolivia

MacLean on 'Previous Authorizations' by Congress

PY2907191392 La Paz Television Boliviana Network in Spanish 1700 GMT 29 Jul 92

[Excerpt] The presence of U.S. troops in our country is supported by legal provisions within the framework of a previous congressional authorization. This information was supplied by Bolivian Foreign Minister Ronald MacLean, who pointed out that there are previous authorizations on the entry of U.S. troops, which are conducting support work in various areas in our country.

[Begin Mac Lean recording] Incidentally, I believe we will review this situation and a decision will be made. If it is appropriate to ask Congress for an authorization, it will obviously have to be done.

We are governing a country where democracy prevails and where decisions are collectively made. If the Constitution says that authorization must be requested for certain types of activities, and these troops intend to carry out such activities, then we must obviously resort to Congress. Now then, we must very carefully review the types of activities they are carrying out, whether they are included in the previous authorizations Congress has given, and whether precise authorizations will or will not be requested each time. We must still review this (?within) the government. [end recording] [passage omitted]

Brazil

CPI Extends Vieira's Deadline To Submit Proof

PY3107034092 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 30 Jul 92

[Text] The CPI [Congressional Investigating Committee] investigating the charges against Paulo Cesar [PC] Farias will have more time to draw up its report. CPI coordinator Amir Lando has stated that they need another five to eight days.

Today the CPI had a very busy day.

[Begin recording] [Reporter Delis Ortiz] The CPI already has received the income tax reports of secretaries Rosinete Melanias and Ana Acioli, and of former presidential secretary Claudio Vieira.

Moreover, the CPI has received more data for the dossier of the ghosts that is, copies of checks to pay the rent on the house Paulo Cesar Farias keeps in Sao Paulo. The owner of the house, (Luis Misave), himself gave the CPI the checks issued by Flavio Mauricio Ramos.

Thanks to grapho-technical tests, there is one thing the CPI is certain about and that is that secretary Rosinete Melanias signed on behalf of ghosts such as Flavio. This dismisses the possible involvement of investor Najun Turner.

[Deputy Jackson Pereira, Brazilian Social Democratic Party-Ceara] We have not found loans by Claudio Vieira nor by Turner.

[Ortiz] Information obtained in Uruguay, however, on the $5 million loan for former secretary Claudio Vieira is confusing. The two deputies who consulted the same sources in Montevideo came back with different conclusions.

[Deputy Odacir Klein, Brazilian Democratic Movement Party-Rio Grande do Sul] The document is incomplete because it does not prove whether or not the deal was made.

[Deputy Jose Carlos Vasconcelos, National Reconstruction Party-Pernambuco] The deal Claudio Vieira described to the CPI was a normal transaction.

[Ortiz] The secretary who, according to Senator Eduardo Suplicy, asserts that the contract with the Alfa Trading enterprise was forged is still in Brasilia. Sandra de Oliveira is staying at Sen. Suplicy's home and hopes to be summoned by the CPI. She remains silent but attorney Waldo Sarkis is willing to talk.

[Sarkis] Since I have nothing to fear I will go to Sen. Suplicy's office or any other office or authority that may summon me. What I will do is explain the participation my office and I had in the operation Ms. Sandra mentioned.

[Unidentified reporter] In your opinion, it was a perfectly legal deal?

[Sarkis] I insist that the deal was absolutely legal and that article No. 17 of the exchange law fully protects this operation. [end recording]

Claudio Vieira is appearing again before the CPI and requested a new deadline for submitting documents endorsing the $5 million loan made in Uruguay.

[Begin recording] [Reporter Monica Waldvogel] The list of all the documents Paulo Vieira was supposed to submit to the CPI today was only sent to him yesterday afternoon. Vieira was given a new deadline to submit the missing documents to the CPI, but he did get away from being interrogated by the CPI.

Vieira disclosed that he turned the loan into a gold reserve at Paulo Cesar Farias' suggestion. PC Farias introduced him to gold peddler Najun Turner. Vieira admitted that he failed to mention this loan on his income tax report and accepted the mistake, but was unable to say how the debt will be honored when it matures in 1996. He is relying on President Fernando Collor.

[Vieira testifying before the CPI] The president's expenses are being paid with these resources, and I am certain that when the loan matures President Fernando Collor de Mello will not abandon me. [legislators laugh]

[Waldvogel] Former secretary Claudio Vieira left the room when Deputies Odacir Klein and Jose Carlos Vasconcellos started to disclose details of their investigations in Uruguay. They learned in Montevideo that the Alfa Trading company is not authorized to attract nor loan resources, as banks do, but that it is fully authorized to make investments abroad, according to Uruguayan laws.

But after talking to Alfa Trading company director (Ricardo Porcela), the legislators were unable to clarify the main doubt about the transaction: how such a small enterprise as Alfa Trading was able to gather $5 million to grant a loan.

When Claudio Vieira returned to the CPI's office, he revealed that seven kgs of gold were lent to Paulo Cesar Farias in 1989. According to Vieira, the deposits made by the EPC [Construction Investment Enterprise] in the bank accounts of Ana Acioli and relatives of President Collor correspond to partial payments for this loan.

[Claudio Vieira testifying before the CPI] In late 1989 I lent Paulo Cesar some seven kgs of gold through Najun. He returned this loan, and part of that money corresponds to a deposit made in Ms. Ana Acioli's bank account. [end recording]

Vieira still has not finished testifying.

We now have a live relay from Brasilia by Ana Paulo Padrao:

[Padrao] Collor's former private secretary Claudio Vieira has been testifying for more than five hours and there are still some legislators scheduled to question him. So far the sharpest questions were made by Senator Mario Covas. Vieira was unable to answer these question, such as who negotiated the loan granted by Alfa Trading in Uruguay if Vieira denies having been the one, and what quality of gold was bought in Brazil. Vieira was unable to answer these questions.

There are still doubts about whether Vieira has until 1 August or 3 August to submit documents backing this loan.

The CPI will resume activities at 1000 tomorrow. The CPI will listen to the testimonies of secretary Sandra de Oliveira, and at noon, of the two attorneys mentioned by the secretary.

Opposition on Testimony

PY3007170992 Rio de Janeiro O GLOBO in Portuguese 29 Jul 92 p 4

[Text] Brasilia—The presidents of the opposition parties have unanimously stated that President Fernando Collor's situation has been aggravated by Claudio Vieira's testimony. PSDB [Brazilian Social Democracy Party] President Tasso Jereissati has reached the point of comparing Collor's situation to that of former U.S. President Richard Nixon: "He was ousted because he lied," he said. Vieira's testimony has again brought up the idea of convincing the president to resign, which will

be less traumatic for the country than impeachement [preceding word in English], according to the opposition.

At the CPI [Congressional Investigating Committee] what Claudio Vieira did was to accuse the president—because it is highly suspicious and irregular that a public man such as the president pay his bills in the manner described by Vieira. Vieira's remarks would be sufficient to open a CPI to investigate the president's actions—not only his connections with PC [Paulo Cesar] Farias, he said.

Jereissati said that Vieira's testimony contradicts remarks made by Collor almost a month ago, in an address to the nation over a radio and television network, explaining the payment of his personal bills.

Lawyer Files Habeas Corpus Petition for Collor

PY3007215292 Rio de Janeiro O GLOBO in Portuguese 30 Jul 92 p 5

[Text] Brasilia—Attorney Arlindo Uilton de Oliveira from Presidente Prudente, Sao Paulo State, yesterday filed a preventive habeas corpus petition with the Federal Supreme Court [STF] on behalf of President Collor, to save him from any action by the CPI [Congressional Investigating Committee] hearing the PC [Paulo Cesar] Farias case. The attorney's argument is that Collor was legally elected and must comply with his presidential term.

Arlindo filed the habeas corpus to avoid any type of coercion by the CPI against Collor. The STF accepted the petition and appointed Judge Celso de Mello as the coordinator.

Bornhausen Denies Cabinet Tendered Resignation

PY3007214692 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 30 Jul 92 Political Section p 6

[Text] Brasilia—Minister Secretary of Government Jorge Bornhausen yesterday said that the report stating that all ministers had tendered their resignation because they were not convinced by [former presidential private secretary] Claudio Vieira's testimony at the CPI investigating Paulo Cesar Farias were "only false rumors." Bornhausen spent half an hour with Angelo Calmon de Sa, the Regional Development Secretariat's chief minister, discussing "routine affairs." Bornhausen said he dismissed the allegation that entrepreneur Alcides Diniz' secretary witnessed the mounting of Vieira's testimony. "The report about a secretary is false," Bornhausen said.

The minister said Diniz' lawyer sent a fax to the CPI president explaining that Vieira had requested a legal opinion on the documents he intended to present.

Senate Approves Earlier Date for Plebiscite

PY3007153692 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 30 Jul 92

[Text] The plebiscite on the form and system of government, scheduled for 7 September 1993, will be brought forward to 21 April 1993 with the passing by the Senate of a constitutional amendment, approved by 51 votes to four in the first round of voting. The amendment must be approved in a second round of voting next week, and if it is approved again the date for the plebiscite—on monarchy or republic, and a presidential or parliamentary governmental system—will be legally brought forward.

Senator Jose Richa, PSDB-Parana [Brazilian Social Democracy Party-Parana], coordinator of the special Senate committee that presented the proposal for a constitutional amendment, explains why this amendment is so important to Congress:

[Begin Richa recording] It would be useless if a parliamentary governmental system were approved in the plebiscite, because we would not have time to vote on the laws changing the party system, the electoral system—in introducing mixed voting districts—or the national administrative structure. As the Constitution prohibits any electoral change a year before an election, with the plebiscite scheduled for 7 September we would only have from 7 September to 3 October 1993—that is, fewer than 30 days—to make all the changes. [end recording]

The amendment to change the plebiscite date was proposed by Deputy Jose Serra, PSDB-Sao Paulo, and it was already approved in the Chamber of Deputies in two voting rounds.

The only senators who voted against amendment are Senators Marco Maciel, Hugo Napoleao, Francisco Rollemberg, and Darcy Ribeiro. The approval of the amendment was nonetheless guaranteed by two votes above the minimum legal requirement of 49 senators present in the plenary hall.

President Authorized To Legislate on Benefits

PY2907183492 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 29 Jul 92

[Text] On 28 July the Brazilian Congress approved a government bill by which the president of the nation is authorized to legislate on special benefits and positions of executive branch employees.

Thus President Fernando Collor has been empowered to legislate on special benefits and positions for civilian and military executive branch employees with a view to instituing salary equity, as outlined in paragraph one of Article 39 of the national Constitution. Congress decided to vote in favor of the bill submitted by the executive branch.

According to Deputy Nelson Jobim, Brazilian Democratic Movement Party, Rio Grande do Sul State, the powers thus vested in President Collor will remain in force until 31 December 1992. By this date all laws passed by Collor on the subject will have to be published. The laws that the president must issue will include the dates for their financial implementation, and may also include the conditions for periodic reviews and for special benefits for various activities.

The bill also froze the special benefits of employees of the Chamber of Deputies and of the federal Senate until the president establishes the new benefits.

Moreira Ferreira Elected New FIESP President

PY3007170292 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 30 Jul 92

[Text] The candidate of the current administration has won the Sao Paulo State Federation of Industries [FIESP] elections. Carlos Eduardo Moreira Ferreira is the new president of the FIESP, having won over his opponent Emerson Kapaz by a difference of 140 votes. Moreira, who is replacing Mario Amato, was elected by 1731 votes against 1591 in favor of his opponent.

Petrobras Discovers New Oil Field Near Maceio

PY2507142692 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 25 Jul 92

[Report by Betty Veloso]

[Text] A new oil field, with reserves estimated at 5 million barrels, was discovered by Petrobras [Brazilian Petroleum Corporation] in a mainland basin near Maceio, Alagoas State.

The new oil field has a reserve estimated at 5 million barrels, worth $100 million. The initial tests conducted by Petrobras indicate a daily production of 515 barrels of high-quality light crude oil. This volume has been described as small when compared with the nearby Pilar oil field, which produces 6,500 barrels daily.

Nevertheless, Mines and Energy Minister Pratini de Moraes, who announced the discovery, said the new field could be quite a bit larger.

[Begin Pratini recording] Three favorable strata were found in the well, and Petrobras will pursue exploration with the possibility of discovering more oil and more reserves in this area. [end recording]

According to Minister Pratini de Moraes, the new oil field will begin production within 20 days, because the entire exploration and marketing infrastructure used in the Pilar oil field is available to Petrobras.

Italy To Help Restructure Meteorology Service

PY3007010292 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 29 Jul 92

[Excerpts] The National Meteorology Service will be restructured. This information was released by Agriculture Minister Antonio Cabrera, who signed an agreement with the Italian Government for modernization of the service.

The agreement provides for a complete technical and economic feasibility study for modernization of the meteorology service, and for preparation of an integrated project for the use of meteorology in the areas of agriculture and environment. [passage omitted]

According to the minister, the evaluation of the meteorology service's needs will begin in 30 days. The funds for modernization of the service will be provided under a framework agreement Brazil and Italy signed in 1989. This agreement provides for a disbursement of $3 (?million) by the Italian Government for cooperation with industrial, scientific, technological, and cultural projects in Brazil.

Chile

German, Russian Officials 'Satisfied' on Honecker

PY3007161192 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0000 GMT 30 Jul 92

[Text] The diplomatic representatives of Germany and Russia here in Chile today expressed their satisfaction over the end of the long conflict involving Erich Honecker.

[Begin recording] [German Ambassador Wiegand Pabsch] Personally, I am quite satisfied that a solution was found to this case, which has kept me very busy for seven and a half months. This case has now come to an end. [end recording]

The Russian charge d'affaires, (Yegor Rybalkin), also gave his opinion.

[Begin (Rybalkin) recording] I believe the solution reached is a result of the efforts made by the three parties involved. I also believe this solution satisfied the three parties. [end recording]

Viera Gallo on Honecker Case

PY3107024892 Santiago Radio Cooperativa Network in Spanish 2300 GMT 30 Jul 92

[Report by Javier Galaz at the Congress building in Valparaiso]

[Excerpt] [passage omitted] Chamber of Deputies President Jose Antonio Viera Gallo pointed out that, if Honecker is declared not guilty by the German courts, he will be able to travel to Chile.

Although he expressed his rejection of the regime that Honecker headed in East Germany, Viera Gallo said he felt bewildered over the way in which Honecker's stay at the Chilean Embassy ended:

[Begin Viera Gallo recording] It is actually true that the Chilean Government told him that his guest status had ended. He could have resisted leaving the embassy, but he didn't. All this leads us to still another question. [end recording]

The special Chamber of Deputies session on the Honecker case, requested by the opposition, will be held at noon on 5 August.

Ministers on Honecker Case

PY3107022692 Santiago Radio Cooperativa Network in Spanish 2300 GMT 30 Jul 92

[Report by Manola Robles]

[Excerpts] Enrique Correa, the minister secretary general of government, has confirmed that President Aylwin telephoned the Socialist Party's top leader after the final solution to the Erich Honecker case, on which the Socialists reportedly disagree.

To the extent that we seriously exchange various opinions, the minister pointed out, we all will agree that this was the best solution for our country.

Concerning remarks made by the German Government's spokesman, Correa said he would have to look at them more carefully. [passage omitted]

Concerning the arrival of the former ruler's wife, Margot Honecker, the secretary general of government said she is fully entitled to enter Chile because her passport is in order, with the appropriate visa, and there is a willingness to take care of her appropriately.

Discussing the arrival in Santiago of Margot Honecker, the wife of the former East German ruler, Foreign Minister Enrique Silva Cimma told journalists: She is coming as a tourist, like any one of you when you go abroad, because she has a German passport that is in order and has been officially applied for.

Silva Cimma added and repeated that Chile receives all foreigners who want to enter and visit. He confirmed Margot Honecker's arrival in Santiago on Aeroflot's Flight No. 357 at 0815 on 31 July.

The foreign minister also made it clear that the former German ruler's wife has not requested a permit to live in our country, briefly pointing out that, in such a case, it would have to be studied.

Silva Cimma said: I imagine that she will not remain here for a very long time and that she wants to see her daughter and grandchildren.

PCCh on Honecker Case

PY3007205092 Santiago Radio Chilena Network in Spanish 1700 GMT 30 Jul 92

[By Sandra Pizarro]

[Text] The Communist Party of Chile [PCCh] has termed false the Foreign Ministry statement on the outcome of the Honecker case. The PCCh has asked the government to make known the true reasons why the former GDR leader had to leave the Chilean Embassy in Moscow. The PCCh also accused Foreign Minister Enrique Silva Cimma of violating the national Constitution.

PCCh Secretary General Gladys Marin said that yesterday was a sad day for her party, and that the Chile's traditional foreign policy has been deeply tarnished by disregarding Honecker's right to asylum.

Marin added that the explanations given by the Foreign Ministry are false in several aspects. She said, for instance, that Honecker was not given the opportunity to appeal the extradition order before a Russian judicial organization but was sent directly to Germany. The PCCh secretary general then asked: What is the basis for the Chilean Government to guarantee that the former GDR leader will have a fair trial, when it will be political and not judicial? Marin added that the Russian Government did not contribute anything to solving the Honecker case, but that Chile simply yielded to German pressure:

[Begin Marin recording] For us, the Chilean behavior is a shame. There is no diplomatic victory here. And so many people applauded the government. What we have here is a diplomatic defeat of the Chilean Government. It is a defeat of international principles. It is also a juridical defeat. We can categorically affirm that Chile has been subjugated and its national sovereignty and its self-determination violated. A country as large as Germany overpowers a smaller country. This is the problem of dependency. We are still a dependent country. Economic dependency creates political dependency. [end recording]

Marin added that the PCCh will propose that Deputy Mario Palestro officially accuse Foreign Minister Enrique Silva Cimma. Concerning the Socialist Party's position, Marin said that it is expressing its disagreement with what happened too late. The Socialist Party has six ministers and they should have done something earlier, she concluded.

Checkpoints Along Peruvian Border Reinforced

PY2907221892 Madrid EFE in Spanish 1208 GMT 29 Jul 92

[Text] Santiago, 29 Jul (EFE)—Chile and Peru have agreed to reinforce the checkpoints along their common border, in the face of the possibility that "Shining Path"

terrorists may try entering Chilean territory, Chilean journalism sources reported today.

The Santiago newspaper EL MERCURIO today reported that Luis Gutierrez Torres, the governor of the Chilean city of Arica, and Herminio Hinojosa Rubio, deputy prefect of the Peruvian city of Tacna, on 27 July agreed to hold a joint meeting to consider reinforcing border surveillance.

The measures will be aimed at checking not only terrorism but also drug trafficking and crime, and at preventing the spread of cholera in the region, which is located 2,000 km north of Santiago.

In statements to EL MERCURIO, Hinojosa said that some terrorists have attempted to reach Tacna and then enter Chile, but they were detected.

"The Chilean Government has made a healthy decision by reinforcing border controls in order to prevent terrorism and drug trafficking from spreading to this country," Hinojosa told the Chilean newspaper.

He said the situation caused in Peru by the escalation of Shining Path terrorism is "critical but controllable," adding that "big problems call for big solutions."

"It does not matter if we violate the Constitution, because we have to defend ourselves. We are working with responsibility and we are aware of our duty to preserve peace and integrity for all Peruvians," he said.

The Arica governor said the next meeting will be attended by all Chilean and Peruvian authorities in charge of controlling terrorism, drug trafficking, crime, and cholera.

"The two countries have the best will to join efforts in order to prevent any emergency that might cause a problem to both nations," Gutierrez said.

Socialists Decline Pinochet's Invitation

PY3007013692 Santiago Radio Cooperativa Network in Spanish 2300 GMT 29 Jul 92

[Excerpt] Socialists do not want to socialize with Army Commander in Chief General Augusto Pinochet, Deputy Felipe Valenzuela said, thus announcing that his bloc will not accept an invitation for lunch extended by Pinochet for 3 August.

[Begin Valenzuela recording] I would like to briefly say that we have been invited. We were invited through the Chamber of Deputies president for a dinner with Gen. Pinochet. The Socialist bloc met and decided not to go, not because we are [word indistinct] but simply because we want to attend a dinner, a cocktail, or a meal but with a specific agenda. And this invitation is simply for a comradeship meeting, and we Socialists do not want to socialize with the commander in chief. [end recording]

Valenzuela explained that the Socialist bloc decision will not bind the president of the Chamber of Deputies, Jose Antonio Viera Gallo, who will attend the lunch with Pinochet because of his congressional post.

Valenzuela reiterated that Socialists do not avoid dialogue with Gen. Pinochet, but they demand an agenda with concrete issues. [passage omitted]

National Renewal Presidential Candidate Chosen

PY3007025692 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0000 GMT 30 Jul 92

[Excerpts] Deputy Evelyn Matthei a few minutes ago told the 24 Horas newscast that she agreed to run as a presidential hopeful for the National Renewal party. She said that in the next few days she will assemble her work teams.

This evening Matthei met with Sergio Onofre Jarpa and his closest aides at party headquarters. The agenda included her candidacy and planning for her electoral campaign.

[Begin recording] [passage omitted] [Unidentified reporter] It has been said that your candidacy might be a prior stage for Jarpa to appear some time in the future as the party's final candidate.

[Matthei] Well, that matter has been raised many times with Mr. Jarpa. He already has given his answer, and I do not see why we should doubt his words.

[Reporter] Can you give assurances that Jarpa will not be the party candidate?

[Matthei] He gave assurances, not me. [end recording]

Air Force Planes Upgraded in Israel

PY2807213292 Santiago EL MERCURIO in Spanish 14 Jul 92 p C4

[By special envoy Jaime Ercilla]

[Excerpts] Tel Aviv—Defense Minister Patricio Rojas and the FACh [Chilean Air Force] commander in chief, General Ramon Vega, have become acquainted in this Israeli city with the testing process that a prototype of the F-5 Tiger plane is undergoing. The prototype has been upgraded with Israeli technology.

It is the first in a series of 20 similar warplanes, whose electronic systems and flying, navigation, and communication instruments will be replaced in order to upgrade their operational capacity. In aeronautical jargon, this process is known as "upgrading" [preceding word in English].

The warplanes, which were purchased from the United States, were held for many years under the regulations of the "Kennedy Amendment." As a result, the planes lost their operational capacity.

The "upgrading" plan was agreed upon in 1990. Israel completed the study and technological development of a

one-seat cockpit prototype, and then a two-seat cockpit prototype for pilot training. [passage omitted]

Israel also is upgrading Mirage planes that were purchased from France many years ago. [passage omitted]

Colombia

Council To Investigate Gaviria on Overflights

PA3007234292 Santa Fe de Bogota Emisoras Caracol Network in Spanish 2108 GMT 30 Jul 92

[Text] The Council of State on 30 July said it will investigate the conduct of President Cesar Gaviria Trujillo for allowing overflights by foreign military airplanes without prior consultation. Here is the full report on the most important news of the past few hours. Good afternoon, Samuel Salazar.

[Salazar] These are the first statements by a top leader and judicial official regarding the situation. The Supreme Court also issued a ruling on 30 July. Let us listen to Council of State President Alvaro Leconte Luna.

[Begin recording] [Leconte] We must begin by determining if the troops are truly military, if warships [buques] are also going to be allowed, and if foreign airplanes are also warplanes.

[Salazar] Do the terms warplanes and military airplanes mean the same thing?

[Leconte] They do in everyday language. It would be necessary, however, to look deeper at the meaning of the words war and military. For that reason, if it is established they were military airplanes, or that military and war mean the same thing, the government should have consulted the Council of State before allowing the transit of vessels or, in this case, the flights by warplanes, in Colombian water, territory, or air space.

[Salazar] Will the Council of State ask the government why it failed to consult it regarding the transit of those airplanes?

[Leconte] Yes. The Council of State meets normally in a full session on Tuesday mornings, and in the afternoon if need be. I cannot see the future, so I do not dare say or make any predictions on the matter.

[Salazar] As Council president, can you bring the case to the full session?

[Leconte] Certainly. Any adviser or magistrate of the Council of State can bring the case to the full session, which will determine what is appropriate.

[Salazar] If this is established, does it mean the president violated the Constitution? Can the Council of State investigate the president?

[Leconte] The Council of State has no investigatory powers. If something is established on the matter, the case would simply be brought to the authorities that are empowered to do so.

[Salazar] Who are these authorities?

[Leconte] Politically speaking, the Congress or, more specifically, the Senate. As far as other matters are concerned, if the Council of State takes this step, it will then decide what is appropriate. To be sure, it will act within the framework of constitutional and legal provisions.

[Salazar] Is national sovereignty a bad argument, as the president said.

[Leconte] I do not think so. Young people do not look kindly on us, the old people—and I consider myself old. They think pragmatism must stand above everything. Old people, instead, feel values, principles, and postulates stand above pragmatic considerations. One of the postulates of this nation, as well as of many other nations of the world, is sovereignty. To be able to be a member of the international community, we must act or, rather, base our actions on the postulate that we are a sovereign nation or a state. No country can become involved in the domestic affairs of another state—even if asked to—regardless of the pretext.

[Salazar] Not even in the war on drug trafficking. Does not the end justify the means?

[Leconte] The end never justifies the means. Legal order stands above everything else. [end recording]

Gaviria Responds to Council

PA3007232892 Santa Fe de Bogota Emisoras Caracol Network in Spanish 2212 GMT 30 Jul 92

["Text" of letter from President Cesar Gaviria Trujillo to State Council President Alvaro Leconte Luna, issued "just now" at Narino Palace in Santa Fe de Bogota; read by unidentified official]

[Text] Mr. State Council President,

I have listened with surprise to the statements made on 30 July by the State Council president to the country's media, announcing that you want to analyze at a State Council plenary meeting what you view as government disregard for its constitutional obligations.

I understand that you referred to No. 3 of Article 237 to affirm that the president should have convened the State Council to report on the flights or stationing of war planes on national territory.

I say that I am surprised because technical cooperation between the Colombian Air Force and the air forces of other countries has existed for several years. Now, when Colombian authorities have made use of technical support from the U.S. Government to search for the world's

most powerful drug trafficker, an attempt is being made to promote a debate of dubious constitutional nature.

If the case were to involve foreign troops transiting through the country, the president would have requested Senate permission. Had the case involved warplanes and warships, the president would have probably consulted the State Council, considering that there are no legislative norms on this.

But this is not the case. Mr. State Council President, no foreign warplane has been on Colombian territory. The planes used to provide technical cooperation and air photography services are military planes, but they are considered military transport planes, like the C-130 planes, which are military planes but do not always carry out war missions.

In this case, there is no war, there are no foreign troops, there are no armed planes for war missions. There are planes with foreign flags, true. They are military planes, but they are equipped only with technical equipment and there is a Colombian operative on each of those planes.

Their objective is not warlike; it is to gather information and to provide technical assistance. Their mission is not war. Nor is their mission to kidnap Colombians. The government rejects—I have already said this—the kidnapping of Colombians on our territory.

I am not going to dump my responsibilities on the Armed Forces, on the Air Force. I assume the political responsibilities of what you apparently view as disregard for a constitutional precept.

These technical cooperation operations, which have been going on for more than three years, have been requested by Colombia. The information we receive helps our nation in the struggle against the drug cartels.

There is no way that at the moment that the shameful escape of Pablo Escobar takes place in front of the eyes of the world, the country that has most invested in the struggle against drugs, the country that has paid dearest in this struggle, should lower its guard and fail to fulfill obligations it has made in international treaties and agreements.

Mr. State Council President, I will use all the means and all the international cooperation that the community of nations may be prepared to offer to capture Escobar.

In this endeavor I expect to count on the cooperation of all the other branches of the state. I expect, Mr. State Council President, to find neither complacency nor complicity with organized crime in this country.

Cordial regards,

Cesar Gaviria Trujillo, president of the Republic

Parliamentarian Comments on Escape Incident

PA3007165092

[Editorial Report] Santa Fe de Bogota Emisoras Caracol Network in Spanish at 1242 GMT on 30 July, during a regularly scheduled newscast, carries a seven-minute interview with parliamentarian Julio Bahamon, cofounder of the New Liberalism, by several unidentified reporters.

A reporter starts off by saying Pablo Escobar's escape has prompted debates on national sovereignty and the responsibilities of reporters. He points out there was a surprise: "The 19 April Movement Democratic Alliance is defending the defense minister. Also, some parliamentarians are praising the vigorous government defense of the institutions and its handling of the current situation."

When asked about his position, Bahamon says: "I do not think the government has told the whole truth to the country on this sad, regrettable, and shameful incident that has placed us in a supremely delicate position before the world." He adds that as the defense minister also noted, it is difficult to believe that the construction work at the Envigado prison alone provoked the anger and rebellion of Pablo Escobar and his men.

Bahamon hints there is a relationship between the incidents at the prison and promulgation of the Penal Proceedings Code, specifically, Article 415. He says that the policy to bring these people to justice failed because government measures have had no positive results; in fact, the person for whom this policy was designed escaped.

A reporter argues that former Minister Jaime Giraldo, during a television interview on 29 July, said this policy has not failed because the Ochoas, a man surnamed Mejia, and members of paramilitary groups are still at the Itagui Prison. Bahamon replies that it happens the person who escaped is the one who has caused the most damage to the country and also has the dubious distinction of being the world's most wanted criminal. Bahamon comments on a newspaper reports on 30 July where former President Lopez said this is just the beginning and he concurs.

Bahamon says the government must take a closer look at its advisers because they apparently have led the government to make a number of mistakes over the past two years. He adds "there must be rectification in the handling and orientation not only of the justice policy, but also economic policy, and other activities in which the government has attempted and failed."

Finally, when asked what his close friend, the late former Justice Minister Rodrigo Lara, who was assassinated, would have done about all this, Bahamon notes Lara would never have designed a policy of surrendering to justice of this nature. In regard to the drug traffickers, Bahamon adds, Lara would have "by no means negotiated with them under conditions favorable to them

rather than to the government." He points out the people are thinking that with this policy the government has actually placed itself under fire while failing to bring the drug traffickers to justice.

Search for Pablo Escobar Continues

PA3007175492 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1630 GMT 30 Jul 92

[Text] Raids and searches in pursuit of Pablo Escobar are being carried out in a large area of Antioquia Department. The houses of the individuals who were guards at the Envigado prison also are being searched.

The so-called public order operation authorized by the national government for southern Medellin has been in progress now for more than 30 hours. There were new overflights early this morning. Envigado continues under military control and the authorities are patrolling the entire area.

After 32 hours of the so-called public order operation, the residents of Envigado report that DEA airplanes carried out new overflights early this morning.

[Begin unidentified resident recording] I heard the airplanes flying over Envigado at around 0530. [end recording]

In the last few hours, the search operations for Pablo Escobar Gaviria, his brother, Roberto, and the other eight inmates who fled from Envigado prison have spread to other locations south of the Medellin metropolitan area. For example, in La Estrella municipality, this house was raided in search of clues. The family of Luis Fernando Velasquez Quiroz, one of the guards at the maximum security prison who is being held by the 4th Brigade, lives in the house.

[Begin recording] [Mother of Velasquez Quiroz] They asked me if I knew why the house was being raided and I told them I did not and that this is the first time this has happened. I told them I imagine that the raid was because I was the mother of one of those under arrest.

[Reporter] Your son did not buy what is inside the house?

[Mother] No, nothing. With his salary, which is very small, he helps me as much as he can. [end recording]

Gaviria Not Discouraged by Envigado Crisis

PA3007183092 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 30 Jul 92

[Text] Senator Juan Guillermo Angel said on 30 July that President Cesar Gaviria has obviously suffered a blow as a result of the Envigado prison crisis but he is firmly determined to continue the investigations to the end. Along with a group of liberal legislators, the senator went to Narino Palace to express their support to the president. Asked by this station about the president's mood, Senator Angel said the president has suffered a blow but he has a strong and vigorous spirit which will not let him become discouraged.

Pardo: Confusion Caused Envigado Mission Failure

PA3007145292 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 2300 GMT 28 Jul 92

[Text] General Gustavo Pardo Ariza, commander [title as heard] of the 4th Brigade stationed in Medellin, said on 28 July that the operation to occupy the Envigado prison and transfer Pablo Escobar to a military garrison failed due to the confusing orders emanating from the government in Bogota. He granted a news conference on 28 July, after having being removed from active service, to give his version of the incidents. Maribel Osorio filed this report.

[Begin recording] [Osorio] Thirty-four years after his military career began, Gen. Pardo appeared wearing clothing he never expected to wear again. His two general stars plummeted to the ground because of an operation whose main characteristic was confusion.

[Pardo] It was a rather confusing mission, a mission involving several groups, a mission calling for an administrative act, the sole administrative act of assuming internal control of the Envigado high security prison.

[Osorio] The Army arrived at the prison not knowing what to do because not even the general knew his mission was to assume control of the prison.

[Pardo] Had I been told simply go to the jail and assume control of it, that would have sufficed to ensure things turned out very well and the country would not be facing the current situation, and I would not be in civilian clothes now.

[Osorio] The attitude of the deputy justice minister and prisons director during the operation was, simply put, strange.

[Pardo] I do not understand how they came from Bogota with the mission of ordering guards to leave and allow the Army to enter. They facilitated the Army's entrance, but all of a sudden, they were holding talks with the inmates.

[Osorio] [Words indistinct] Gen. Pardo Ariza this year the incident at La Catedral Prison showed that the Army is ready for war but not to act as prison guards. [end recording]

Defense Minister Blames Military for Escape

PA3007231292 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1630 GMT 30 Jul 92

[Report by Adriana Ayala; passages within quotation marks are recorded]

[Text] Defense Minister Rafael Pardo Rueda, defending his own and government actions, blamed specific high

military and civilian authorities for Pablo Escobar's escape. Whom does he accuse? Here is the answer:

[Pardo] "The commander of the 4th Brigade. First, he did not obey the Army commander's order, issued at 1230, to reinforce security outside the prison. There was a military police company available to him in Medellin that was being held in reserve. He did not use that company."

[Ayala] According to Pardo, the prison director and the deputy justice minister are also to blame because they entered the prison without permission.

[Pardo] "The prison director and the deputy justice minister entered the prison without prior authorization from the justice minister or the National Security Council. According to the director and the deputy minister, they entered the prison voluntarily to help coordinate the prison turnover from the prison guards to the National Army."

[Ayala] The Commander of the Air Force is also singled out.

[Pardo] "There was a chain of negligence, lax attitudes, and mistakes in preparing the planes for action. As defense minister, I was convinced I could not penalize lower-ranking officers, because there was a specific echelon of command directly responsible for the situation. That command was not present to face the problems it should have solved."

[Ayala] The Envigado prison director and the commander of the military police are also named.

[Parado] "Lieutenant Colonel Espitia, Commander of the 4th Military Police Battalion, was responsible for security outside the prison. That security was openly breached when the inmates escaped. A military commander is responsible for what his unit does or fails to do. In this case, his unit failed to maintain security outside the prison."

[Ayala] Several senators have asked how, if the whole military apparatus failed, the minister did not also fail.

[Unidentified senator] "You were responsible for the proper operation of the Air Force, the 4th Brigade, and the men in uniform. You and the government have been extremely harsh. You fired all of them. Now I ask you: You were responsible to the president for the operation. Have you not thought of stepping down? Have you not thought of giving the president the option of applying to you the same procedure you are applying to the Armed Forces generals?"

[Pardo] "Before anyone told me anything, I issued a public communique stating that I am ready for Congress to examine my conduct so they can determine if I was responsible or not. I accept Congress' decision, whatever it may be, with republican acceptance, with my head held high, and with a clean conscience. I am absolutely convinced that I have not erred. I am convinced that the right decisions were made, that the correct orders were issued, and that responsibility for the operations has already been determined. The government has stated that publicly. The political responsibility must be determined by you, Messrs. Senators. Thank you."

AD/M-19 Supports Pardo

PA3007165592 Santa Fe de Bogota Emmisoras Caracol Network in Spanish 1200 GMT 30 Jul 92

[Telephone interview with Senator Pedro Bonnet of the 19 April Movement Democratic Alliance, AD/M-19, by unidentified reporter in Santa Fe de Bogota—live]

[Text] [Reporter] Samuel Moreno of the 19 April Movement Democratic Alliance [AD/M-19] was the first to call for a vote of censure against Defense Minister Rafael Pardo Rueda. It seemed AD/M-19 was going to accept that proposal or that it was the party's position. However, we find that this is not so and that AD/M-19 supports the minister in the face of a possible vote of censure. This is what I have understood from what Senator Pedro Bonnet of the AD/M-19 told me before going on the air. What is the party's official position?

[Bonnet] On 28 July I told the Senate that we were not going to hold trials to determine the responsibility of the Colombian president or [words indistinct] the finance minister. I also said that we were not going to call for a vote of censure and that we would not support votes of censure sponsored by other parties. In my speech, I said we believe that a sector of the public force had disobeyed the Colombian president and that this sector of the public force should be investigated and penalized. We believe that if the minister's head were to roll, it would be like an award or a gold medal for the men who escaped from prison. The individuals who weakened the operation must be penalized. From all the reports we have received, one can see that the operation was weakened deliberately by those who were supposed to implement it. Now then, we are not defending the defense minister without reason. You must remember that the defense minister was one of the people who contributed most to the program for the M-19 demobilization in Santo Domingo. He is a serious man. Perhaps he has made a mistake in some of his decisions but the president is the one who must make a decision about him. For the time being, the AD/M-19 position is that it does not plan to ask for sanctions against the defense minister because we believe that up to now he has acted correctly.

Liberal Party on Dismissal

PA3107030292 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1630 GMT 30 Jul 92

[Report by Adriana Ayala]

[Text] The main objective of Liberal Party senators participating in Congress' 30 July plenary session is to prevent the dismissal of Defense Minister Rafael Pardo.

During the congressional debate to determine responsibility for Pablo Escobar's escape, several senators proposed approval of a censure motion that would permit Congress to dismiss from office a minister who has not fulfilled his political obligations.

The Liberal Party must not be a party to censure motions, several Liberal Party senators said.

[Begin recording] [Senator Alberto Santofimio] I think the minister acted in good faith. He has defended a policy that has endured traumatic and difficult situations in complying with state security norms.

[Senator Juan Guillermo Angel] The Liberal Party is not going to propose any censure motion at this time unless disclosures are made during the debate that change our minds. Based on the information we have so far and on the detailed report on the events, and knowing the honest and brave position of the national government at all levels, there is no room for the kinds of actions being mentioned.

[Senator Dario Londono] I see no reason for the defense minister to resign, and I see no reason for a censure motion. [end recording]

The ministers are to be the subject of an intense debate at a plenary meeting on 30 July. According to several senators, the meeting will be far more severe than the one held on 29 July.

Rebels Free 6 Policemen in Norte de Santander

PA3007223092 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 30 Jul 92

[Report by Ricardo Caceres from Cucuta]

[Text] Six National Police members who had been kidnapped by the National Guerrilla Coordinating Board were turned over to a commission early on 30 July at an undisclosed location in Norte de Santander Department.

The police had been kidnapped during an armed clash between (Actari) and La Playa Municipalities in Aspasica Corregimiento on 9 July. Captain (German Biruet Gomez), commander of the 4th Ocana District, died in the conflict. Policemen (Manuel Perez Bedeno), (Ramiro Crisancho Icisa), (Jose Castro Cuan), Henry Sanchez Bueno, Wilson Badillo Urrea, and Agapito Fonseca Parra were abducted by the guerrillas.

On 30 July those policemen were turned over to a commission headed by Tibu Bishop (Luis Marines Lano), an official from the governor's office in Norte de Santander Department, a Red Cross representative, Assembly President Ivan Clavijo, and departmental Attorney General Nelson Duran Pulido.

German Dario Moreno Acero, commander of the institution in [word indistinct] department, said the men in uniform had been in the hands of the 33d Front of the Revolutionary Armed Forces of Colombia.

* December Completion Date Set for Guavio Unit

92SM0496A Santa Fe de Bogota EL ESPECTADOR in Spanish 17 Jun 92 p 1

[Interview with Paulino Galindo Yustres, project manager of the Gauvion hydroelectric power plant, by Rodrigo Sanabria Gutierrez: "Guavio: Set for Year's End"; place and date not given]

[Text] It is definite: Before the year draws to a close, the first unit of the Guavio hydroelectric power plant will be on-line.

This announcement was made by project manager Paulino Galindo Yustres, who said that "for the first time, the project has a favorable labor atmosphere."

Having served as program director for 70 days, Galindo Yustres expressed his hope that for the first time, it would be possible to achieve the goal of an output of 2.5 percent and that an estimated lag of seven months would finally be overcome.

Satisfied with what he has accomplished, Galindo reported that the nation had managed to come up with the $100 million that the project needed.

He also noted that he had put together a team of national and foreign auditors and advisers so that, together with the contractor, supervisors (10 from abroad), and piping equipment suppliers, Guavio could be finished once and for all.

This is the first time the director of the Guavio Project has ever spoken to the press about progress on the project.

Goal Within Reach

[Sanabria Gutierrez] Will Guavio's first turbine be ready as the government has announced?

[Galindo Yustres] Absolutely. As we have said from the beginning, and despite all the controversy about whether or not it is possible—no one said it would be easy—we have pledged to complete the project as soon as possible. The first unit will go into service by the end of this year and Units 2, 3, 4, and 5 will go into operation ahead of the schedule we inherited at the Energy Enterprise when we assumed responsibility for heading up the project's construction process.

(The first unit will add some 250,000 kilowatts to the national system and the country's capital.)

[Sanabria Gutierrez] How is the Guavio Project going at the present time?

[Galindo Yustres] Contrary to a number of comments made concerning difficulties that might occur with respect to the process of filling the dam, it is now 70

percent full. The dam head, or height of the dam, is 162 meters, but the rate of filtration is no more than 34.5 liters a second, a very low figure compared with estimates made for the project. This gradually leads to speculation about a certain lack of foresight concerning the geology or the project itself. We even hope to fill the reservoir ahead of the proposed date of 15 October, provided we have additional flexibility and can begin testing of Units 1, 2, and 3 ahead of schedule.

(HIMAT [Colombian Institute of Hydrology, Meteorology, and Land Improvement] data supported Yustres' view that the Guavio area has enough water available to fill the dam and run the machinery.)

Research

[Sanabria Gutierrez] How is research on project management going?

[Galindo Yustres] Well, project management has taken it upon itself to turn over all documents to the courts as well as government, administrative, and penal authorities now completing their research. As we all know, some seven or eight investigations are going on at the same time, and we hope results will be forthcoming so that we may move ahead more directly on what is most important to us, completion of the project.

[Sanabria Gutierrez] Meaning there will be no further postponements or delays?

[Galindo Yustres] The goal of 15 December 1992 will be met.

[Sanabria Gutierrez] Will Guavio put an end to rationing?

[Galindo Yustres] That is one thing about which I wish to be absolutely specific: The Guavio Project was initially scheduled to go into service during the first half of the year, so it was not the cause of the brownouts. The presidential commission has admitted as much.

(A document from the electrical sector stated that once Guavio's first unit goes into operation, rationing will be reduced and that with the additional emergency programs such as the line connecting us with Venezuela, two ferry generators, and two gas plants to be set up by Ecopetrol [Colombian Petroleum Enterprise], there will be no further breaks in service in 1993.)

[Sanabria Gutierrez] What is your current opinion of Guavio's "bad" reputation?

[Galindo Yustres] That we need a fairly favorable atmosphere in order to take a number of measures still required by the project and that the Colombians' generally pessimistic view of the Guavio Project and of the risk being taken by the officials involved stands in the way of the project's much deserved respect. We need time so that the measures needed by the project may be implemented and so they may provide us with sufficient time to devote ourselves to the matter at hand, ie., completion of the project. That is up to the authorities. They have to investigate what has happened in order to determine whether or not everything said about progress on the project is true.

* Some Thermal Plants 'Near Collapse'

92SM0496B Santa Fe de Bogota EL TIEMPO in Spanish 20 Jun 92 p 13A

[Text] Due to the overload placed on a number of thermal power plants that has caused them to work at maximum capacity, several are on the brink of collapse, and one of the Termoguajira units has already gone out of operation.

According to government sources, this situation is the result of the energy crisis itself. Given the deterioration of the hydraulic power system and of a number of thermal plants along the Atlantic Coast and in the country's central region, plants in good operating condition have been forced to work at near maximum capacity.

Such was the case of the Guajira gas plants, which have a generating capacity of 320,000 kilowatts. The latter are the newest plants in the country's steam generating system, and they have been properly maintained in recent years.

When rationing began in March of this year, Termoguajira I and II had to step up their generating operation.

In recent days, some Termoguajira II units broke down and were rapidly repaired by technicians from the Atlantic Coast Electric Corporation (Corelca), but failed again only a few days later.

This situation tends to heighten the electric power problem. According to experts consulted by EL TIEMPO, thermal power plant equipment cannot operate at full capacity. Within the electric power picture as a whole, such plants must be used in a support capacity.

In addition, the situation of the water reservoirs continues to be critical. Over the past two weeks, the water-storage level has not exceeded 19.7 percent, leading one to conclude that rationing will be extended, with no relief in sight.

This was the conclusion of the electrical sector's operations committee after an analysis of the situation prevailing at hydroelectric plants. A decision was made at the meeting, which was attended by managers from electric power companies and Electrical Interconnection, Inc. (ISA) and Ministry of Mines officials, to maintain current rationing levels.

However, the possibility of stepping up rationing in the weeks ahead has not been ruled out.

According to ISA Manager Jorge Bustamante Roldan, the relatively acceptable picture at the dams has changed

drastically: During the latter weeks of May, the water level was rising at a bare .4 percent a day, but in recent days, capacity has not exceeded 19.7 percent.

This is far from the anticipted level. Next week the operations committee will analyze the situation to see whether it will be necessary to raise energy conservation levels.

For Bustamante, climate conditions continue to be highly adverse. In addition, there is a worldwide climate imbalance because the "El Nino" phenomenon has affected several areas of the globe.

* Narino Officials Propose Regional Peace Talks

92SM0496C Santa Fe de Bogota EL TIEMPO in Spanish 20 Jun 92 p 7A

[Text] Ignoring warnings from the national government, the Narino Departmental Assembly has announced its intention of engaging in peace talks with guerrilla groups operating in this section of the country.

The body approved a resolution to that effect at the conclusion of the special sessions called by Governor Alvaro Zarama Medina.

Narino deputies said they were ready to lend their aid so that, via a dialogue with sectors now pitted against one another, "we may achieve peace, but with social justice."

It is essential to achieve detente between the armed forces and the guerrillas, the author of the proposal, Patriotic Union (UP) Deputy Gerardo Burbano, explained.

In their turn, spokesmen from the Liberal bench who supported the proposal said their intention was none other than to permit effective, real economic development of the region, which has been affected by a lack of security and war, "without any possibility of dialogue because of a hardening of political positions by both guerrillas and the government."

At the close of the meeting, deputies met in what they termed the Departmental Assembly Peace Committee, comprised of Gerardo Bolanos, Liberal; Jaime Villota, Conservative; Gerardo Burbano, UP; Guillermo Garcia, Liberal; Alberto Benavides Fuertes, Conservative; and Alonso Valenzuela, representing Indian communities in the department's southern region.

Narino has been hit by guerrilla action along the coast and in the neighboring Putuyamo territory, where FARC [Revolutionary Armed Forces of Colombia] and ELN [Army of National Liberation] fronts are active.

The government has stated over and over again that it does not support regional peace talks, based on its belief that until the guerrillas demobilize, any such talks would be lacking in substance.

* Hommes on Uses for Additional Tax Revenues

92SM0506A Santa Fe de Bogota EL ESPECTADOR in Spanish 28 Jun 92 p 5A

[Report by Efrain Pachon O.]

[Text] The tax package Congress has just approved will enable the Gaviria administration to proceed with operational and public investment spending plans for 402 billion pesos, which had been blocked for lack of money.

This amount will provide funding for social programs, whose budget will increase 43.8 percent this year, rising from 2.315 trillion pesos in 1991 to 3.330 trillion in 1992.

Budget allocations for health will increase 30.7 percent in 1992; for education, 69.5 percent; housing, 16.1 percent; and justice, 46.7 percent.

Funding for public works, which includes roads, bridges, port improvements and other projects related to the nation's economic liberalization, will rise by 54.8 percent, from 291 billion pesos in 1991 to 450 billion in 1992.

These figures were given by Minister of Finance Rudolf Hommes in an interview with EL ESPECTADOR. He said the government will finance only priority projects that have a major impact on improving people's living conditions.

"We are going to forget about subways, hotel construction, convention centers, projects for film buffs, and other whims and luxuries that some officials have supported at times. They are the real budget busters," he commented.

About 400 billion pesos will be used in the short and midterm to improve public administration: liquidating agencies and units that are not needed and putting an end to excessive bureaucracy.

These resources, he explained, will be recovered in four or five years, after which time they will produce savings for the National Treasury.

The idea is to have only those agencies and operational units that are needed for efficient government administration and the officials who are really necessary, who must be given adequate compensation. This will also help to diminish corruption.

"If we are going to work to improve health, education, security, and roads so that we will have more development, we will definitely not have any money left over for nonessentials.

"What I am saying may seem untrue," he added, "but we will be much stricter in managing our spending because we cannot continue to demand new tax resources from society in the midst of wasteful spending, while keeping inefficient employees and organizations."

If They Let Me Stay

Though he said that he is still unsure if he is going to stay in the cabinet, not because he wants to leave, but because that is solely up to President Gaviria, Minister Hommes said if if they do let him stay in the job, he will intensify his efforts to strengthen the exchange, financial, and tax reforms.

While he has won high praise from Congress and has the full backing of the chief of state, Hommes said that he does have powerful enemies in both the public and private sectors.

"Putting things in order has a very high cost. Sometimes you have to fight with everybody, but things must be worked out," he insisted.

"It seems quite legitimate to me for the unions to put up a fight on any issue affecting them, but it is also true that people have the right to respond. Here you are supposed to remain quiet and let people attack you. Whenever somebody reacts, they complain and say he attacked them, and then start to insult him."

In his opinion, representatives of the private sector let things get out of hand in lobbying on the tax reform. On some occasions they manipulated figures and situations in order to distort the objectives of the tax package.

There were some very unpleasant cases in Congress, he said, like the time a union sent a girl who looked a lot like "la Mencha." She was very pretty. She flirted with congressmen and gave them letters urging them to make changes in the reform.

Money for Whom?

Even so, he said, we did manage to move the tax reform forward. This year it will provide 402 billion pesos so that we can adequately handle the social spending program and keep the government from being paralyzed during the second half of the year.

It will also provide more than 650 billion pesos that will be used to meet special payments in 1993 for drinking water supply systems costing 20 billion; for public works, 113 billion; for irrigation and land improvement, 28 billion; and for defense and justice, 60 billion.

In addition, 25 billion pesos will be earmarked for electrical industry subsidies, 47 billion for housing, 30 billion for updating pensions, 200 billion for additional tax revenues transferred to the departments, and 140 billion in special transfers to the cities.

The reform will not have any major impact on taxpayers because, of the 560,000 individuals who file taxes, only 60,000 will have to purchase security bonds.

This obligation will also affect about 130,000 companies. The intent is to use these securities to generate 270 billion pesos during the second half of the year.

The average, everyday Colombian citizen, the wage earner, will not feel any additional tax burden in 1992 because the VAT increase from 12 to 14 percent will take effect in January 1993.

Economic Blackout

The economy's growth was going quite well until the first quarter of the year. Statistics showed a strong upturn in investment and production, exceeding 4 percent.

The electrical blackout also put out the economic upturn, and the growth in the Gross Domestic Product is expected to be about 2.5 percent, not 4 percent, as had been expected.

This decline means a loss of revenue generated in Colombia of more than 400 billion pesos.

But not all sectors are doing poorly. Construction activity is booming. Its growth in real terms, that is, adjusted for inflation, is more than 10 percent.

Foreign investment doubled during the first quarter compared with the same period of last year.

"Once uncertainty has been cleared up—which may have been caused by economic liberalization and the reforms, including the tax reform—we expect to see a rapid upturn in growth in 1993 and more stable ground rules. A businessman knows right now what tariff he will have to pay next year and in 1994," he noted.

Hommes regrets what is happening in the energy field and said that every possible financial and logistic effort is being made to resolve the emergency by the end of this year so that the economy will take on a new aspect in 1993.

No VAT in Agriculture

One major benefit of the tax reform, feels Hommes, was eliminating the VAT on the vast majority of agricultural equipment, machinery, and materials.

"Some people think I am an enemy of agriculture. What I am opposed to are measures that distort the economy or that are a sham. We now have an agricultural system without a VAT, and we expect a lot of rain, so we should have more food and less rationing."

[Pachon] Why are you insisting that inflation must be 22 percent this year, if the numbers show it is impossible to reach this goal?

[Hommes] We are going to stop talking and instead concentrate on reaching 22 percent. I am confident that is what will happen. The only problem is the summer, which has been quite intense and has caused food shortages, There are no major monetary problems.

[Pachon] If credit is cheap now, with rates less than 35 percent, why are businessmen not seeking loans?

[Hommes] Some businessmen borrowed a lot of money from abroad and are using that for financing. Right now the economy is quite liquid, but that is going to change once private investment has been fully reestablished.

[Pachon] Finally, what will the 1992 treasury deficit be?

[Hommes] Even with the tax reform revenues expected for this year, there will be a deficit equal to 1.4 percent of the GDP. Of this percentage, one point is for the deficit in the National Coffee Fund, .3 percent for the Medellin Metro, and the rest for the electricity sector's financial problems.

[Pachon] What is going to happen to the metro systems for major cities, which all want to have a project like the one in Medellin?

[Hommes] I do not like to meddle in what is not my business, but if you look at the Caracas Trunk Route in Bogota, you realize that it is a sensational project, which demonstrates that with a little money you can develop extremely useful public projects. I insist there will be no luxury spending in the Gaviria administration. [end Hommes]

It is considered a certainty that the management of public finances will remain in Hommes's hands in the coming months. During the next legislative session he will be fighting another major battle to improve social security in Colombia.

His enthusiasm is so great that there is little likelihood he will be leaving the Cabinet.

* Losses Due to Falling Crop Prices Reported

92SM0511A Santa Fe de Bogota EL ESPECTADOR in Spanish 28 Jun 92 p 6A

[Article by Myriam Astrid Montoya]

[Text] Sales abroad of five Colombian products have resulted in losses totaling $636.5 million over the past two years, which is the equivalent of 443.64 billion pesos at the current exchange rate.

Is there a crisis, or is there not? That is the question.

The debate concerning the situation in the agricultural and livestock sector acquired overtones of desperation this week when the president of the Association of Colombian Farmers (SAC), Jaime Cordoba Zuloaga—who contends that there is a crisis—could not conceal his disagreement with a favorable diagnosis made by Finance Minister Rudolf Hommes.

Hommes had cited a study being carried out by the board of directors of the Bank of the Republic, which seemingly has reached a conclusion midway between the "yes" and the "no" answers to the question of whether a crisis exists.

According to the study—which is still in progress—although the overall index of profitability in the agricultural sector is indeed dropping, the situation should be described not as a generalized or structural crisis, but rather as a crisis that is localized and cyclical in nature.

The study cited by the finance minister states that the situation has its roots primarily in the hard times being experienced by various categories of exports as a consequence of the drop in world prices. Because these categories have a disproportionate impact on the agricultural and livestock sector as a whole, the problem gives the appearance of being generalized.

The study being carried out by the Central Bank is also looking into the difficulties experienced by products that can be replaced by imported products, but, on the other hand, points to the improved prices for the products of small farmers.

He reiterated, however, that the pressure point is the unfavorable situation of the products that are exported and their influence on the overall balance of agricultural and livestock activity.

Whether or not the farmers accept this theory in toto, the distressed situation of the export items is presented objectively in an analysis contained in a report that Idema [Agricultural-Livestock Marketing Institute] has submitted to the Ministry of Agriculture.

According to this report, export shipments of five agricultural products—which together account for 25.7 percent of all production in the agricultural and livestock sector—by themselves generated losses totaling $636.5 million over the past two years.

To give a clearer idea of the magnitude of this figure, we need only say that at the current exchange rate of the free dollar, it is the equivalent of more than 443.64 billion pesos.

World Prices and Losses Caused*

Product	May 1990**	May 1991**	May 1992**	Tons Exported*	Millions of Dollars*
Coffee	99.0	91.0	63.0	811,422	481.98
Cacao	66.0	48.0	48.0	9,632	2.33
Sugar	16.0	8.0	9.0	418,000	36.78[1]
Bananas	30.0	32.0	19.0	1,148,198	101.04
Cotton	84.0	84.0	60.0	27,200	14.36

World Prices and Losses Caused* (Continued)

Product	May 1990**	May 1991**	May 1992**	Tons Exported*	Millions of Dollars*
Total	—	—	—	2,414,452	636.50

*1992 compared to 1990; **U.S. cents per pound; 1. [as published] Source: Idema.

The report was based on the prices that prevailed during May of 1990, 1991, and 1992—years during which a total of 2,414,452 tons of these products were exported.

The losses incurred in the export of coffee amounted to $481.98 million; cacao, $2.33 million; sugar, $33.78 [as published] million; bananas, $101.04 million; and cotton, $14.36 million.

Case by Case

According to the figures recorded during the past 24 months, the price of coffee has fallen from $0.99 per pound at the beginning of that period to $0.33 today.

No upswing in the price of coffee is anticipated for the midterm because of the chaos that has overtaken the market and because of the inventory of more than 20 million sacks held by consumers.

The summit that was just concluded in London failed to make progress either in setting an overall quota for sales or in distributing quotas among individual countries, with the aim of reestablishing the worldwide agreement.

In the opinion of Jorge Cardenas Gutierrez, manager of the National Federation of Coffee Growers, until such time as a new agreement is signed, prices will continue to be distressed, because there is a lot of coffee available.

As for banana exports, in addition to the excess supply and the worldwide economic recession, there is also the threat of an imminent establishment of tariffs and import quotas by the European Community beginning in 1993.

During the past year, bananas dropped from $0.32 per pound at the beginning of the year to $0.19.

The price of cacao held stable at $0.48 per pound, but it was the second year of depressed prices following a substantial drop from the $0.66 at which it was selling in 1990.

A similar situation prevails with respect to sugar. Although it is true that as of last May the price had risen by $0.01 above the 1991 price, the price that year was exactly one-half of the price that had prevailed in 1990.

With respect to cotton—the product that has perhaps received the most attention from the government—prices had remained stable, at $0.84 per pound, between 1990 and 1991, but dropped to a level of $0.60 in 1992.

Hope Deferred

According to the agriculturists, this massive decline in prices has been reinforced by the effects of the revaluation carried out in March, about which Hommes himself acknowledged that "our timing was off."

Hommes declared, however, that the effect of the revaluation has not been very traumatic, citing as an example the fact that of the almost 50 percent drop in the profitability of bananas, only 20 percent can be attributed to the exchange rate, because the remaining 80 percent was caused by the drop in price.

As an instrument to bring some improvement to this situation, Agriculture Minister Alfonso Lopez Caballero had announced that $15 million would be allocated for granting or increasing—on a case-by-case basis—the CERT [Tax Reimbursement Certificate] for various products up to the end of the year.

Among the products listed were flowers (for shipment to destinations other than the United States), bananas, palm oil, sugar, tobacco, and shrimp.

One thing is certain: the hope that this *recompense*, however partial, will materialize has been deferred.

The agriculturists heard the first warning bell when it was announced that products other than agricultural and livestock products will be included in this support program.

There was great disappointment, because each new invited guest means a reduction in the portion of the $15 million allocated to the others.

The agriculturists received the coup de grace when the agriculture minister warned that one should not have very great expectations with respect to the CERT.

The minister acknowledged the existence of an agreement concerning the increase in the tax incentive, but insisted that there are budgetary restrictions and that it would therefore be necessary to cease making certain investments in order to fulfill this commitment.

His announcement depressed the spirits of the agriculturists, which—according to the SAC—have declined to the same extent as world prices, the total area under cultivation, production, and agricultural credit.

In the opinion of the SAC, the agricultural crisis is real and is generalized. Hommes, however, believes that it is largely the result of the *slanted information* disseminated by the media. In the opinion of the Bank of the Republic,

the real drama is being lived by the exporters. The consumers—who are the ones who ultimately pay—now have the floor.

* Growing Colombian-Venezuelan Trade Ties Viewed

92SM0512 Santa Fe de Bogota SEMANA in Spanish 23 Jun 92 pp 60-61

[Text] Just a year ago, whenever a meeting of businessmen was called in Colombia or in Venezuela to explain the benefits of bilateral trade, it was virtually impossible to get 50 people to attend. Less than a month ago, when the National Association of Colombian Exporters and the Araujo Ibarra company organized a meeting in Bogota titled "Colombia and Venezuela, Trade Partners of the '90's," about 400 businessmen attended, 150 of whom came from the neighboring country.

But the most significant factor is that, with the exception of the representatives sent from the major Venezuelan banks—who were already familiar with the scenario in Colombia in view of their recent investments—and a few representatives of companies that have a long history of involvement in bilateral trade, the large majority of the business executives from the neighboring country who met at the Gonzalo Jimenez de Quesada Convention Center came seeking opportunities. What is more, 90 of them had never crossed the border. From this standpoint, the meeting was a resounding success. And it was successful because the governments of Colombia and Venezuela agreed last January to eliminate trade barriers and make the dream held for more than 20 years by businessmen from both countries a reality.

The consolidation of the Colombian-Venezuelan customs union has created such a large volume of trade in such a short time that nobody wants to be left out of the new market. According to preliminary figures supplied by the commercial attache at the Colombian Embassy in Caracas, Jorge Albert Velasquez, in the 3 months that the customs union has been operating, "Colombian exports to Venezuela are triple what they were during the same period last year." By May, more than 100,000 tons of Colombian merchandise had come into Venezuela through the San Antonio del Tachira customs office.

According to various Venezuelan experts consulted by our magazine, bilateral trade could top $1 billion this year, which would reflect an increase of more than 35 percent over 1991 (see table). Some people even believe that the figure might be considerably higher. According to Velasquez, for instance: "The volume achieved will not depend on what has been done in the past, in two protected markets and very different circumstances, but rather on the commercial aggressiveness of firms in the two countries." And, judging from what has happened so far—and from the results of meetings like the one held in Bogota—the trade increase could be much greater.

Colombian-Venezuelan Trade Balance (Thousands of dollars, FOB)

Year	Exports to Venezuela	Percentage Increase	Imports from Venezuela	Percentage Increase	Trade Balance
1987	220,163		120,515		99,648
1988	220,728	0.25	173,653	44.09	47,075
1989	185,255	(16.07)	205,826	18.52	(20,571)
1990	203,664	9.93	321,383	56.14	(117,719)
1991	422,723	107.55	312,142	(2,87)	110,581
Total	1,252,533		1,133,519		119,014

(87-91) Source: Chamber of Colombian-Venezuelan Integration and Commerce

Up until recently, integration between the two countries was viewed merely as a union of complementary markets. The Colombians could sell the products of their textile industry and many raw materials on the other side of the border, while the Venezuelans would specialize in manufacturing automobile parts, chemicals, and oil by-products, among other things. In actual fact, however, despite obvious specializations, the businessmen have realized that there is no forbidden ground. For them, the neighboring country is no longer viewed as a ground for exports, but instead as an extension of their own market. And that is why today we are seeing Colombian cars circulating on the streets of Caracas and why the large stores in Bogota are beginning to sell Venezuelan textiles. The concept of a single market has gone so far that the dollar is gradually being eliminated as the means of exchange.

Moreover, integration between the two countries has gone way beyond the field of trade. In the airline industry, for instance, three Venezuelan companies (Avensa, Servivensa, and Viasa) have daily flights between Caracas and Bogota. And, aside from Avianca, several international airlines make a technical stop in the capital of the neighboring country on their European routes. More recently, Zuliana de Aviacion began flying to Colombia on a Maracaibo-Bogota-Medellin route, and in a few days Avensa will begin flights from Caracas to Medellin, with a stopover in Aruba.

Integration in the financial arena has been equally "aggressive." The Venezuela's Banco de Construccion gained full ownership of Colombia's Banco Tequendama and about 20 percent of Banco Ganadero. Banco Mercantil today is the owner of the former Banco de los Trabajadores. Banco Latino will open offices in

Colombia during the latter half of this year, and the Banco de Venezuela has already begun setting up a branch in Bogota. Reciprocally, Banco Ganadero was authorized to do business in Venezuela, and similar authorization will be granted to any other Colombian financial institution that decides to locate in Venezuela. Banco de Bogota has also signed a preferential correspondent agreement with Banco Provincial.

There is still, of course, much to be done before free trade between the two countries is fully achieved. In the area of surface transportation, for example, goods must still be transshipped at the border, despite the fact that Andean Pact Decision 257 institutionalized customs traffic between the two countries. Moreover, Venezuela has still not implemented Andean legislation on trademarks and patents, an area where a serious problem of contraband trade persists. Health and sanitation papers continue to present an obstacle to trade in farm products and processed foods. And some restrictions on investment remain.

But the truth is that never before has such a high degree of integration been achieved. The best proof of this is that the distrust with which businessmen from the two countries used to approach each other has changed to curiosity. Everybody wants to know what they can invest in to gain a share of a market that, united, represents about $20 billion in imports. This explains why in the first half of this year, seven binational events took place (including seminars, courses, and meetings) and why the number of businesses seeking to open branches in the neighboring countries grows every day. At the present time, there are 60 Colombian firms registered in Venezuela, and 15 from that country already have offices in Colombia. And all the experts agree that by the end of this year those figures will be much higher.

It is easy to see from all of this why businessmen in both countries are concerned over Venezuela's political crisis. Colombians, especially, who have always been interested in what is happening on the other side of their border, are more interested than ever in the stability of Venezuela's institutions. Thus they have been following step by step the events of recent weeks. In some ways, Venezuela's fate is now their own.

* 'State of Internal Disturbance' Antecedents

92SM0519A Santa Fe de Bogota SEMANA in Spanish 14 Jul 92 pp 30-33

[Unsigned article: "Disturbance!"]

[Text] Gaviria has introduced the new martial law to prevent more than 1,000 "narcos" from going free.

Shortly before midnight Thursday night, the ministers began arriving at Narino House one by one. Drowsy, shocked, and worried, they were wondering what urgent, all-important matter had forced President Cesar Gaviria to summon them to a cabinet meeting at such an unusual hour, taking some away from a cocktail party or dinner and others merely from bed.

The reason deserved a Council of Ministers meeting, even if it had to be held at a time when the only thing celebrated is midnight mass. According to the information that the prosecutor general of the nation, Gustavo de Greiff, had conveyed, first verbally and later with the formality of a letter, to the chief executive, if the government failed to act quickly, the release of scores and even hundreds of persons held in Colombian jails was imminent. The latter would include some of the leading drug cartel chiefs and the majority of their most sinister aides.

It was a topic that had been aired persistently both in government circles and by some news media. However, it was not until Thursday that what originally had been a risk became a real threat, at least in connection with seven accused persons who were released from the Medellin jail, in a critically real occurrence.

To seek the origin of such commotion, we must revert to the issuance, in the Legislative Commission (the famous "little congress"), of the rules that will henceforth govern the operation of the criminal justice system in Colombia. Basically, they consist of two decrees with the force of law, proposed and approved by the government with the "little congress." The first, No. 2271, converted into a permanent rule the so-called public order jurisdiction, created in 1990 to try cases involving terrorism, narcoterrorism, drug trafficking and, most especially, the cases of those brought to justice in the context of Decrees 2047 and 3030, of 1990, and 303, of 1991. The second decree-law, No. 2700, is the new Code of Criminal Procedure.

When these decrees were debated by the "little congress," it became clear to the government that the first one covered all trials related to cases involving public order and the second one was the general rule for the rest of the criminal jurisdiction. However, questions were raised in the "little congress" itself, and it agreed to include some explanations in the Code of Procedure on how certain rules of procedure would operate in trials involving public order once both jurisdictions were integrated, as is planned for the future.

This was the case in Article 415 of this code, which relates to grounds for provisional release of those indicted. Stipulated therein as a general rule is that, once a maximum period of 180 days of detention has been served, any accused may request release unless the crime allegedly committed by him has been classified and its perpetrator and penalty determined. For those accused of crimes associated with public order, Decree 2271 calls for something different: the provisional release is legal only when the detention has exceeded the longest possible sentence for the crime of which the person being held is accused or if the latter has reached age 70.

As for what will happen to those being held in cases involving public order once the two jurisdictions become

integrated, the "little congress" and the government added a paragraph to Article 415 of the Code of Procedure, doubling the 180-day detention period without an opportunity for provisional release. This will apply to such cases when they are finally incorporated into the common jurisdiction. But, despite the attempted clarification, what appeared to be left sanctioned were two different rules, the one in Decree 2271 and the paragraph in Article 415 of Decree 2700, which covered the same situation: that of provisional release for those being held for trial in the public order jurisdiction.

Obviously, the attorneys of those indicted for crimes involving public order attempted to interpret the rules in the manner most favorable to their clients, using those in the Code of Procedure when it went into effect on 1 July of this year. They began requesting provisional releases for their clients in scores of cases. The Prosecutor General's Office, as well as the Attorney General's Office and the government, interpret the rule to be applied until both jurisdictions are integrated not as that in the Code of Procedure, but rather as that in Decree 2271. When, on this basis, instructions were issued to that effect, and those releases began to be denied, an avalanche of petitions for habeas corpus occurred.

This expedient, sanctioned in Article 30 of the new Constitution and in many international treaties, stipulates, according to its definition in the constitutional article, that "anyone deprived of liberty and considering himself subjected to this illegally, is entitled to appeal to any judicial authority, at any time, by himself or through an intermediary, for habeas corpus, which must be decided within a period of 36 hours."

The latter prompted the authorities to expect that, by last Friday, there would be an exodus of a large number of indicted persons from jails, quite possibly including some of the most dangerous criminals in the country. According to figures from the Prosecutor General's Office, as of Thursday afternoon there were 1,306 petitions for provisional release and about 50 for habeas corpus being processed, the majority in Medellin and Cali. Between 80 and 90 percent involved cases in the public order jurisdiction, and at least one of the petitions would protect one of the heads of the Medellin Cartel. SEMANA was told by a source from the Ministry of Justice: "Events had assumed the nature of a genuine conspiracy against the justice system's public order jurisdiction. Therefore, on Friday, one could not even expect to wake up."

The business of the conspiracy, which, according to some government sources, had been planned in great detail by a group of lawyers, also explains the fact that the president of the Republic, who does not usually make this type of accusation, resorted to such harsh adjectives as "shysters" and "malicious." He was referring to the litigants involved in what the government did not consider a legitimate legal expedient, but rather a dirty trick.

The Measures

With this scenario on the horizon over the weekend, the president attempted to nip in the bud the risk that, on both a national and international level, his policy against the drug traffic and narco-terrorism might be reduced to rubble and the country's image, already much maligned, might be even more so because of a monumental absurdity. The latter was the situation whereby, after having captured them or convinced them to surrender to justice, the authorities themselves would allow those who have caused so much harm to go free, precisely on the basis of rules, such as the new Code of Procedure, that are intended to reinforce justice.

At a Council of Ministers session that began shortly before 0200, the ministers accompanied the president in the debate and adoption of two decrees: No. 1155, which declared a state of internal disturbance, thereby introducing the legal category replacing martial law in the new Constitution, and No. 1156, which, based on the already declared state of internal disturbance, is intended to dispel doubts about interpretation, stemming from the rules on provisional release in the Code of Procedure and in Decree 2271.

As far as the former is concerned, there are apparently no major debates on the need for the government to resort to the state of internal disturbance. The new constitutional category, adopted in Article 213, "is intended not only to deal with states of disturbance attacking public order, but also to prevent the spread of their effects, as its text per se declares." This was explained to SEMANA by a high-ranking cabinet source, who added: "So, the reasons for resorting to this state of emergency are clear, because what was coming, imminently, was a serious state of public order with all those highly dangerous criminals at large."

However, the debate is far more extensive in the case of Decree 1156. Generally speaking, the decree is intended to explain that "the authentic interpretation," as the jurists call it, in view of the general confusion, is that in cases involving public order, provisional release is governed by the rules in Decree 2271 until both jurisdictions are integrated.

Moreover, Decree 1156 declares in Article 3 that habeas corpus will not be legal when grounds stipulated for provisional release are involved. In other words, if what the lawyer for the accused alleges is related to grounds for a possible provisional release, an appeal for habeas corpus may not be filed.

In the first instance, that of the so-called "authentic interpretation," some specialists were wondering on Friday whether the government could interpret the law on the basis of the powers specified in Article 213 of the Constitution, to be used according to the internal disturbance procedure. Article 213, in one of its sections, states that a ruling of internal disturbance may suspend the effectiveness of one or more laws, but does not mention anywhere that these laws may be interpreted.

As for the second, the matter of habeas corpus, apparently limited in Decree 1156, is an even more complicated affair. Habeas corpus is sanctioned in the Constitution as a fundamental right, and the Constitution itself (in Article 214) states that no rule on internal disturbance can suspend the effectiveness of fundamental rights.

The Constitutional Court, obliged to review the two decrees issued at dawn on Friday within a month, will therefore have to decide on at least two essential points: first, whether the government can interpret the laws in a state of internal disturbance; and, second, whether it can limit the application of a fundamental right.

What the Constitutional Court decides will be extremely important, not only in the specific case of Decrees 1155 and 1156, but also for the future of the states of emergency redesigned in the Constitution of 1991 and particularly for establishing the scope of the state of internal disturbance.

The government is aware of the risks that it runs, that the rules may at least partially be declared unconstitutional by the court. Nevertheless, it is convinced that it had no better alternatives.

Another issue on which a decision appeared imminent at the week's end, one that could also establish jurisprudence for such matters, is related to the section of Article 213 on the state of internal disturbance. The latter declares that, within the three days following the declaration of that state, "the Congress shall convene in its own right" to exercise political control over the measures adopted by the government. The question was whether this meeting of the Congress was compulsory for it or not. The text of the Constitution does not use the expression "may convene," but rather the more mandatory "shall convene." If this meeting should be held by the Congress "in its own right," it may be predicted that the chambers will be the scene of a heated debate on the measures adopted, given not only the sensitivity of the issues involved (drug trafficking and narco-terrorism), but also the lack of jurisprudence and precedents.

The decisions made at dawn on Friday also put to the test the new coalition system reflected in the recent cabinet change. Although its representative in the Council of Ministers until last week, Camilo Gonzalez, signed the decrees, it was learned that Democratic Alliance-M-19 [19 April Movement] has doubts about the limitation on habeas corpus, as Gonzalez himself noted during the cabinet meeting. The question is whether M-19 will maintain its support for these decisions, also in view of the fact that one of the points in the political accord signed by Navarro, the president, and Andres Pastrana, is the reinforcement of the justice system.

But, apart from all this suspense, at the end of the week various commentators began to ask questions. Some asked about the validity of the measures, and others, the more critical ones, asked questions about what they considered an improvised act by the government. From the platform of the litigant attorneys, some of the more belligerent representatives, perhaps hurt by the adjectives in the president's statement, claimed that they had been the first to realize what would happen and that the government had not paid any attention to them.

In fact, this criticism may not be as valid as it appears. The truth is that the Executive Branch could hardly resort to a state of internal disturbance based on warnings from some lawyers claiming that there was an interpretation (different from that of the government, the Prosecutor General's Office, and the Attorney General's Office). That interpretation would be that those accused in trials involving public order could benefit from provisional release on the same grounds as those claimed by all the others held by the criminal justice system. In order to resort to the internal disturbance expedient justifiably, it would be a requisite that the release of any of the prisoners would generate an imminent risk of danger to public order, as occurred last Thursday.

Nevertheless, the foregoing explanation does not totally relieve the government from its responsibilities. The fact that the lawyers have begun to succeed in their petitions for provisional release indicates that the interpretation that they are making has some degree of validity. And, if it has, it could only be because the rules in effect, which the government played a highly significant role in drafting, left room for doubt and dual interpretation, at least tangentially. In fact, to explain the situation, the government had to issue Decree 1156, thereby indicating that there is no doubt that there was room for doubt.

But if the government emerges from the episode somewhat harmed, the same does not hold true of the Prosecutor General's Office, whose head, Gustavo de Greiff, not only demonstrated courage in one of his first public acts, but also introduced the famous harmonious cooperation among the authorities. As is stipulated in Article 251 of the Constitution, he informed the government of something that would put "the preservation of public order" in jeopardy. Nevertheless, the degree of success of his action on this occasion will be possible to gauge only when, based on the rules issued on Friday, the judicial authorities deny the petitions for provisional release and, at least for the present, ward off the danger of the justice system's being mocked just when it is introducing the instruments that, as in the case of the Prosecutor General's Office, seem to have restored to Colombians confidence that someday impunity in this country may be more the exception than the rule.

[Boxes, pp 32 and 33]

The Origin of the Commotion

Last year the "little congress" and the government issued two decrees: one for trials in public order cases and another for the procedure in the rest of the criminal justice system. In the first, No. 2271, it is impossible for those accused of crimes involving public order to obtain

a conditional release if their crime has not been classified and its perpetrator and penalty determined within a certain time period. In the second, No. 2700, or the Code of Criminal Procedure, it is possible, but at the discretion of the authorities, and only for persons accused of crimes other than those involving public order.

The Lawyers Are Animated

Taking advantage of what they considered a certain margin of doubt between the two rules, the attorneys for those accused of crimes against public order began requesting the provisional release of their clients, based on the stipulations in Decree 2700. When, based on instructions from the Prosecutor General's Office, these petitions began to be denied, they resorted to the expedient of habeas corpus.

The Government Intervenes

Warned by the Prosecutor General's Office of the possible imminent release of more than 1,000 persons in custody, the government summoned the ministers to an emergency meeting at dawn on Friday, declared a state of internal disturbance, issued a decree implying that those held in cases involving public order could not be released if their crime is not classified and its perpetrator and penalty determined within a certain time period, and limited the application of habeas corpus as an alternative expedient to the petition for provisional release.

What Will the Court Decide?

The Constitutional Court must decide, among other things:

- Whether there were sufficient reasons to decree internal disturbance.
- Whether the government can interpret the laws in the context of that disturbance.
- Whether the government can limit a fundamental right, such as habeas corpus, making use of its authority regarding internal disturbance.

Ecuador

Cooperation Agreement With Colombia Announced

PA2707193492 Quito Voz de los Andes in Spanish 1130 GMT 24 Jul 92

[Text] Rafael Almeida, Ecuadoran minister of energy and mines, has announced the creation of a bilateral cooperation program with his Colombian counterpart Guido Nule Amin to achieve electrical interconnection, crude oil transportation, fuel sales, and mining development.

The agreement was reached during Almeida's visit to Santa Fe de Bogota on 22 July. It is aimed at intensifying Ecuador's cooperation with Colombia in providing energy and petroleum byproducts to border areas.

Given the severe energy rationing in the neighboring country because of drought, Ecuador has given Colombia up to 4.5 megawatts of electricity. The payments received have financed technical improvements. As a result, beginning in October, this capacity will be increased to 10 megawatts.

It has been decided to build a new electrical line from Ibarra to Tulcan on Ecuadoran territory, near the border, which will permit an exchange of up to 50 megawatts with Colombia, an official report stated. The report indicated that the two officials decided to renew the agreement to transport Ecuadoran crude oil through Colombia's Trans-Andean Pipeline and they discussed the possibility of Ecuadoran State Petroleum Enterprise, Petro-Ecuador, delivering fuel to be used in the Colombian zone of Narino.

After the earthquake in March, 1987, which temporarily damaged Ecuador's 500-km pipeline used to transport crude oil from the jungle to the sea, Colombia agreed to connect the Ecuadoran petroleum producing zone to a Colombian oil pipeline to transport 35,000 barrels of oil per day.

Ecuadoran and Venezuelan fuels are the cheapest in South America. This makes them attractive as contraband in neighboring countries. This could end if Petro-Ecuador can supply the southern part of Colombia. It was reported that this issue is being considered.

It was decided to reactivate the binational Chiles-Rio Negro project. In addition, the exchange of information and experience began in the areas of hydrocarbons, small hydroelectric plants, rational use of energy, and energy diversification.

The agreement included such topics as the development of mineral carbon basin and plants; support to Ecuador for a small electrical center at the border; and the standardization of terminology, norms, and quality standards in the petroleum area.

Ecuador and Colombia share a vast border, most of which is unprotected and unpopulated. Both countries extract crude oil on both sides of the common jungle border.

Paraguay

Possible Closure of Embassy in Peru Authorized

PY3007172892 Asuncion ABC COLOR in Spanish 30 Jul 92 p 12

[Excerpt] Foreign Affairs Under Secretary Marcos Martinez Mendieta has reported that the Foreign Ministry has authorized Carlos Scavone Godoy, Paraguayan charge d'affaires in Peru, to close the doors of the the Paraguayan diplomatic seat in Lima—which has been threatened by the Shining Path—if he believes it is

necessary to do so to preserve the security of diplomats and third parties. Martinez Mendieta added that there have been no new threats.

The Paraguayan diplomatic seat is located in the San Isidro residential district in Lima. Martinez Mendienta reports that the embassy continues working under strong police and military custody, and that it will continue functioning. So far, the embassy has received no new threats, but it is in a state of maximum alert and, at the sign of any type of violence, security will be preserved above all. [passage omitted]

Rodriguez Issues 'Clear Warning' to Peasants

PY3007174192 Asuncion ABC COLOR in Spanish 30 Jul 92 p 13

[Excerpts] In a clear warning to the peasants who are occupying private property, President Andres Rodriguez said yesterday that "if they prefer violence, the government and the Armed Forces will respond in like manner to uphold the law." [passage omitted]

After stating that the situation caused by the armed peasants, who are occupying private lands in the northern region of the country, "is not alarming," the president stated that these occupations do not constitute the proper means to obtain a plot of land—particularly when the government is granting land plots through legal means.

He explained, however, that those peasants who resort to violent means, such as the violent occupation of private properties, should be aware that this is not the proper way to achieve their goal.

Thus Rodriguez defined the government's position regarding the occupation of private property, and added that from the very beginning the government has done its best to meet the peasants' real needs. Rodriguez also reasserted that once identified, those peasants who occupy private properties will not be eligible to own land within the framework of the land distribution program. [passage omitted]

Economic Indicators Show Economic 'Crisis'

PY3007220692 Asuncion HOY in Spanish 30 Jul 92 p 11

[Summary] The official data on Paraguay's economic performance during the first half of 1992, disclosed by Paraguay's Central Bank, patently reveals the crisis the economy is currently facing.

Unfavorable weather conditions and low international prices harmed agriculture. Cotton and soybean production has fallen by 46.8 and 14.4 percent, respectively, compelling the government to subsidize farmers to counteract their losses.

Livestock activities fared much better because meat prices have been bolstered by buoyant international prices.

Short-term indicators show that industrial production grew 1 percent and construction expanded, as shown by the 24 percent upsurge in cement sales.

Accrued inflation for the first six months stood at 9.2 percent, compared with 6.4 percent for the same period in 1991. Exports dropped 17 percent in volume and 6.9 percent in value. Imports increased 2 percent in volume but their total value decreased 6.4 percent.

Foreign exchange reserves, which in December totalled $975 million, shrank to $945 million. The nominal effective exchange rate reached 1,469 guaranies to the dollar while the cost of living increased 9.2 percent.

Peru

Fujimori Confirms Cabinet; To Announce Measures

PA3007141992 Lima Panamericana Television Network in Spanish 1200 GMT 30 Jul 92

[Text] President Alberto Fujimori has ruled out the possibility of decreeing a state of siege in Peru. He said that despite the worsening rebel violence, a declaration of a state of siege is not the most appropriate measure under the current circumstances. He also ratified his confidence in the cabinet members, after rejecting any possible cabinet changes. Fujimori made these statements after watching the military parade at the Campo de Marte, during an informal conversation with the press.

[Begin recording] [Unidentified reporter] Mr. President, what do you think about the large turnout of people for this parade?

[Fujimori] This is the best poll there is. It is an authentic and spontaneous action.

[Reporter] Mr. President, the population expected a government response on the subversive struggle.

[Fujimori] Our response has already been made. Politicians who do not have arguments are commenting against our policy.

[Reporter] Do you rule out the possibility of ordering a state of siege?

[Fujimori] It is not appropriate at this time.

[Reporter] Mr. President, are you saying it is not necessary at this time?

[Fujimori] No, it is not.

[Reporter] Can new measures be issued regarding the pacification?

[Fujimori] New measures will be issued.

[Reporter] When will you announce these measures, Mr. President?

[Fujimori] I will announce them shortly.

[Reporter] Will you make changes to your cabinet?

[Fujimori] Absolutely not. Unfounded rumors have circulated to that effect.

[Reporter] Will you ratify the entire cabinet?

[Fujimori] Absolutely. [end recording]

De La Puente Comments on Dialogue With Parties

PA3007124792 Lima Global de Television Network in Spanish 0100 GMT 30 Jul 92

[Text] The dialogue with the political forces, which should produce the new electoral law, will restart during the week of 2 August. Foreign Minister Oscar de la Puente Raygada, president of the Council of Ministers, announced and added that they will insist on asking the APRA [American Popular Revolutionary Alliance] and Popular Action [AP] parties to participate.

[Begin recording] [De la Puente] The 45 days being mentioned are the term for registration of the candidates or the lists, but the law decree that will establish the rules for the constituent congress will be issued on 22 August, at the latest.

[Unidentified reporter] [passage indistinct]

[De la Puente] The rules for the process of the constituent congress will be known after the political groups finish the dialogue.

[Reporter] Will there be more details about the topic of subversion, since, apparently, there were none on 28 July?

[De la Puente] It is very hard to establish the complete rules for something like security in two and a half hours, but we will be meeting anytime after 4 August and the deadline will be 18 August as established by President Fujimori.

[Reporter] Will you hold the meeting either with or without APRA and AP, which have already stated they will not participate?

[De la Puente] We will reiterate the invitation because we believe that, at this moment, the positions of the respectable parties and political groups should start tending to help the dialogue end satisfactorily and with a resolution that may establish the norms for the constituent congress. I believe no political group should be sidestepped in this dialogue.

De La Puente Travels to U.S.; Talks To Resume

PA3007201092 Lima Radio Programas del Peru Network in Spanish 1900 GMT 30 Jul 92

[Text] Oscar de la Puente Raygada, president of the Council of Ministers, traveled early this morning to Washington, the United States, to meet with OAS representatives. De la Puente, who is also minister of foreign relations, will brief the OAS commission on the progress made so far in preparations for the elections of the Democratic Constituent Congress [CCD] scheduled for 22 November.

The CCD will have 80 members and, according to President Alberto Fujimori, it will be installed on 2 January.

Meanwhile, Cardinal Emeritus Juan (Landazuri Herriquetz) called for a permanent dialogue between the government and civilian sectors. He supported the formation of a unified command for the subversive struggle beginning on 4 August, when the national dialogue will resume.

Bolona: Austerity Policy Will Remain Unchanged

PA3107004992 Lima Panamericana Television Network in Spanish 1200 GMT 30 Jul 92

[Text] Carlos Bolona, economy and finance minister, has said that the government's austerity policy will remain unchanged in the coming months. He said the reorganization of public spending will continue, thus allowing for better handling of the country's economy. The official noted that a group of Peruvian experts will meet with IMF members to assess the goals of the second six-month period of the Peruvian economic program.

[Begin recording] [Unidentified reporter] Can you comment on President Alberto Fujimori's message.

[Bolona] We must continue to earmark funds for specialized agencies that perform intelligence work and the like so they will be much better equipped and will receive their bonus, thus having a greater impact on the war. We are working on it. We must continue the economic program. We have to realize that we achieved austerity and we must now begin other programs. The austerity must continue. There will be a reactivation, as this has been a difficult year, primarily due to the energy crisis we experienced. In addition, natural disasters had an adverse impact on growth. We must devote greater attention to public spending. We have some leeway in making expenditures to cope with social emergencies and matters dealing with water and sewers. We have funds for Conavi [National Housing Council], and we must increase the funds allocated for privatization efforts. Then there are the funds coming from the Inter-American Development Bank.

[Reporter] [question indistinct]

[Bolona] There must be some, yes. Pardon me?

[Reporter] [question indistinct]

[Bolona] I think the fund is holding out. We are making progress on a number of aspects. This is a difficult year, but we are continuing with our program. We must continue to progress. Based on our possibilities, we want these ....

[Reporter interrupting] How about the resumption of talks with lending organizations, once the deadline to return to the institutional system was announced?

[Bolona] That is a factor ....

[Reporter interrupting] [question indistinct]

[Bolona] We are going to leave, be calm. As I was saying, we will continue to talk with international organizations. We must visit them. A mission of Peruvian experts has already left to hold talks with the IMF and to assess the second quarter, or the goals for the second quarter, which we kept, and to see how things will go from the second quarter.

[Reporter] How about cabinet changes?

[Bolona] Pardon me?

[Reporter] How about changes in the cabinet?

[Bolona] [Words indistinct] in Washington. All of them have submitted their resignation, which is usual on 28 July. [end recording]

Maximo San Roman Gives Independence Day Speech

PA3007032592 Lima Panamericana Television Network in Spanish 1200 GMT 29 Jul 92

[Excerpts] Maximo San Roman, who was appointed constitutional president by the dissolved congress, also issued a message to the country on the occasion of the independence anniversary. He has proposed the creation of a government of national unity and reconciliation. Engineer Maximo San Roman also delivered a message in Quechua.

[Begin San Roman recording] This is not the time to encourage division among Peruvians because everyone's life is in danger. We have the ability to reconquer with work, faith, and hope our right to live with dignity in Peru.

Consequently, it is urgently necessary to:

1. Return to a system of democracy and respect for constitutional mandates and we must unavoidably attain minimum conditions for the organization, authority, and responsibility required by the nation. On 30 April, I proposed calling a sovereign constituent assembly to appoint a transition government as the way to overcome the critical consequences resulting from the 5 April coup. We now know the dramatic results of the coup. Therefore, I must reassert that demand. All Peruvians must participate in the appointment of a provisional government that seeks a reconciliation and national unity and guarantees the enforcement of democracy and the Constitution to overcome the crisis.

2. Defend the legal status and autonomy of our municipalities because they represent the basic foundation for the enforcement and development of our democracy and the groundwork for our national institutions. Municipal elections must be held this year and the new mayors must assume their posts on 1 January 1993.

3. National defense and security are under the responsibility of our military institutions. Their members are heirs of great heroes who gave us liberty and respect for our institutions, Constitution, and democracy. Our military institutions have the historical responsibility of fulfilling the democratic duties the homeland demands from them.

4. Unity and consensus is mandatory and not postponable considering the critical problems prevailing in the country. The patriotic actions of our popular organizations, political parties, labor unions, and representative organizations must be aimed at seeking a consensus and settling disputes. The destiny of our country depends on the solution to the current crisis. [passage in Quechua omitted]

Now, more than ever, the homeland needs all Peruvians to be reconciled and united so life may always prevail over death; so the truth may always prevail over lies; so reason may always prevail over force; and so democracy may always prevail over a dictatorship. Long live Peru! [end recording]

Dissolved Congress Elects Directorate Board

PA3007154192 Lima Panamericana Television Network in Spanish 1200 GMT 27 Jul 92

[Text] Representatives of the dissolved congress have elected their directorate board members. Most of the members were ratified in their posts. Roberto Ramirez del Villar continues as president of the chamber of deputies and the senate presidency was given to Alberto Borea Odria.

[Begin recording] [Unidentified reporter] Doctor, who are the two new directorate board members?

[Ramirez] One of the new members is from Popular Action [AP] and the other one is from APRA [American Popular Revolutionary Party].

[Reporter] What sort of actions will be carried out?

[Ramirez] It depends upon the circumstances that prevail in the country and the pressure exerted on the government to return to democracy. If it does not return to democracy, all its options will be closed—and its options continue to close.

[Reporter] Your comments about President Fujimori's address?

[Ramirez] It is more of the same thing.

[reporter] Do you believe his measures will curtail subversive activities?

[Ramirez] I do not think so because the government has proved it is more interested in preventing labor union strikes than preventing Shining Path armed strikes. It adopted more precautions against the former than against the latter. I think this is rather unusual because it has given Shining Path a strength that, in my opinion, it does not have.

[Reporter] Personally speaking, what do you feel after being unanimously ratified?

[Ramirez] Well, I feel strengthened because—despite the prevailing circumstances—I have been reelected. This has only happened once in the chamber, during Mr. Prado's administration. He was a good president. He was simply a good bank administrator who became a magnificent president. [end recording]

Anonymous Judges To Try Rebels

PA3107041292 Lima Global de Television Network in Spanish 0100 GMT 31 Jul 92

[Excerpt] The government will issue a decree law in a few days to amend some articles of the Judicial Branch Charter Law and to appoint secretly so-called anonymous judges, who will be in charge of trying people accused of terrorism.

The investigations of these cases will no longer be made by the courts. Instead, they will be conducted in properly furnished offices inside Lima's jails. The purpose of this measure is to avoid intimidation and death threats made against judges. The sentences handed down to the rebels will be more equitable. To conduct an on site inspection, Lima Higher Court President Lino Rocalla visited the Judicial Branch's 47 courtrooms, where he saw the speed with which the trials are conducted and noted the presence of judges and clerks. He announced that the proposed military court jurisdiction will not shorten the investigations, and that the upcoming creation of judicial districts will make it possible to decentralize and expedite the process.

[Begin recording] [Unidentified reporter] Will the courts with anonymous judges begin to operate next week?

[Rocalla] I cannot give you a specific date. The matter depends on the legislative decree, which will establish the jurisdiction or will be more specific.

[Reporter] How will oral proceedings [juicio orales] work regarding the subversives.

[Rocalla] It all depends on this decree, although the Judicial Branch is duly in force. When the jurisdiction is decided.... [pauses] You know all this information is very secret, the whole process is secret. It would be pointless to implement this sort of system of justice if we openly say how it will be and what it will be. There would be nothing secret about it. In every country where this system has been implemented, total secrecy prevails regarding information. [end recording] [passage omitted]

Japan Makes $53 Million Loan Disbursement

PA3107044592 Lima Global de Television Network in Spanish 0100 GMT 31 Jul 92

[Text] On 30 July Japan granted to Peru $53 million, the second half of its contribution to the support group. The disbursement received on 30 July is part of a $420-million cash loan agreed on in December 1991 with the Japanese Economic Cooperation Agency. The Japanese contribution is in support of the Peruvian Government's administration and of its efforts to consolidate the structural reform process. To date, the Japanese Government has contributed approximately $370 million, equal to 87.5 percent of its participation in the support group.

Venezuela

Perez Reviews Electoral Issues With Media

PA3007134092 Caracas Venezolana de Television Network in Spanish 1600 GMT 28 Jul 92

[Text] President Carlos Andres Perez minutes ago informally met with correspondents who cover events at Miraflores Palace. He said he is doing the right thing. He also said the people's awareness about the crisis—which is international and not only affects Venezuela—continues to grow. The president also referred to the controversy over the single nomination system.

[Begin recording] [Perez] I think you are responsible for the controversy rather than Democratic Action [AD] or President Perez. [laughter in the background] I have said throughout my political career, since I was a candidate for the presidency, that the electoral system must be changed and the state reforms must become a reality. During my speech on 23 January 1988 I mentioned the single nomination system for the first time. All my important speeches in Venezuela refer to that issue and it has been AD's thesis. AD stubbornly endorsed the single nomination system for municipal elections, and it now maintains its position on the single nomination system. The only thing is the concept of proportional representation of minorities—which was created here since the democratic process began—it has been a factor which distorts the situation. [sentence as heard] I am convinced the constitution can establish, as a general principle, the single nomination system for all organized groups in the country.

[Unidentified reporter] Did the party interpret this as a scolding?

[Perez] I beg your pardon? No, no. I said this on 5 July. You are the ones who interpret it that way because you

want to provoke a little dispute. [laughter in the background] However, during the solemn speech I gave at the Oval Room on 5 July, I also proposed the single nomination system as a main topic. Well, I have discussed this with the party and I talk about it whenever I meet with my fellow party members. I insist we must have the courage to propose it. There is also another problem, meaning the representation of the minorities. We cannot ignore it. Well, the constitution must say the single nomination system has to prevail in all the electoral processes. It must add: The law will determine the way to maintain the minorities' representation. Then the law would have to develop a system which allows the minority representation without abolishing the single nomination system. That is the thesis I endorse. [end recording]

Deputies Approve Presidency Limitation Bill

PA2807154192 Caracas Venezolana de Television Network in Spanish 0000 GMT 28 Jul 92

[Text] The Chamber of Deputies has approved Article 50, which bans presidents from being reelected. A transitional provision was also approved, however, which protects the right to reelection granted to those presidents elected under the 1961 Constitution. The deputies concluded this second debate of the constitutional reforms by approving the authority and duties of the prime minister position. If their report is ready in time, it will be sent to the Senate on 28 July, where discussions are to begin on 29 July.

Foreign Minister Ochoa on Ministry Reorganization

PA3007152492 Caracas Venezolana de Television Network in Spanish 1600 GMT 30 Jul 92

[Text] The reorganization of the Foreign Ministry initiated by former Foreign Minister Humberto Calderon Berti reportedly continues. Foreign Minister Fernando Ochoa Antich reported that 180 foreign service officials were ordered to return to the country immediately.

[Begin Ochoa recording] This is a regulation established by the Foreign Service Law that basically is aimed at having Venezuelan officials keep in touch with the country. It is not possible for officials who spend 20 or 30 years abroad to represent Venezuela. This is basically the reason for this measure. We have ordered 180 officials to return to Venezuela. They will be retrained and will undergo a process to readapt themselves to Venezuela. [end recording]

Perez Comments on Visit by Japanese Crown Prince

PA2907005292 Caracas Venezolana de Television Network in Spanish 0000 GMT 28 Jul 92

[Excerpts] His Imperial Highness Crown Prince Naruhito of Japan has arrived in our country. The prince will spend three days here as part of a world tour. His Highness Naruhito will hold his first official meeting with President Carlos Andres Perez on 28 July. He will also meet with congressional leaders and tour the historic sites in Caracas. [passsage omitted]

[Begin recording] [Unidentified reporter] It has been learned there will be some sort of financing plan by Japan for several electronic projects.

[Perez] Japan is giving substantial financial cooperation. The Bank of Japan has granted us loans worth several million dollars. I believe it is $800 million. There are many Japanese companies among the foreign investments interested in Venezuela, which are setting up shop in the Guyana area and other parts of the country.

A Japanese company is also an associate in the Cristobal Colon Gas pumping project.

[Naruhito] I hope this friendship serves to consolidate the positive relations between Japan and Venezuela. [end recording]